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03rd August 2025

Dear Conference Organizer,

I am writing to express my interest in participating in the **PhD Student Workshop on Climate Finance**. I am currently a third-year Ph.D. candidate in Finance at the University of Bath, under the supervision of Dr. Winifred Huang and Dr. Ru Xie, and I expect to complete my degree by **September 2026**.

My research lies at the intersection of **empirical banking, syndicated lending, and sustainable finance**, with a particular focus on how individual banker characteristics and institutional dynamics shape lending behavior. My job market paper, *"Work from Home and Relationship Lending,"* employs the COVID-19 lockdowns as a quasi-natural experiment and is currently under **revise and resubmit** at the ***Journal of Banking and Finance***. I also explore topics such as agency conflicts in LBO loan contracting in my second paper. My second paper was nominated for the **Best PhD Paper Award** at IFABS 2024. My third paper focuses on examining the long-term impact of bankers' early-life experiences on asset pricing decisions. This paper investigates whether early-life exposure to major natural disasters shapes how commercial bankers price financial assets. Using detailed household registration information of bankers who originate large corporate loans, we find unique evidence that bankers who experienced a higher number of major disaster events between ages 5 and 15 tend to charge higher loan spreads compared to those with little or no such experience. This conservative pricing behavior persists even after accounting for bankers' risk preferences in borrower selection. The effect is more pronounced for borrowing firms with weaker fundamentals, specifically those with lower profitability, lower leverage, and higher exposure to climate risk, as well as for borrowers with strong pre-existing relationships with the banker. These findings are robust to a range of banker, bank, and borrower-level controls, and highlight a new behavioral channel through which early-life experiences can influence professional decision-making in financial markets. This study contributes to the growing literature on the role of personal history in shaping investor behavior and asset pricing.

In addition to my research, I actively engage in academic service and teaching. I am a teaching assistant for undergraduate finance courses, a research assistant to Dr. Winifred Huang, and serve as an external reviewer for the *European Journal of Finance*. My recent work has been presented at several major conferences, including IFABS, EFiC, ENTFIN, and the FMA Annual Meeting (planned for 2025).

I have attached my CV for your review. Should you require any further information, I would be happy to provide additional materials or references. Dr. **Winifred Huang** (w.huang@bath.ac.uk) and Dr. **Ru Xie** (r.xie@bath.ac.uk) would be pleased to serve as academic referees.

Thank you for considering my application. I look forward to the opportunity to further discuss how my research interests and background may align with this PhD student workshop.

Warm regards,
Baikun (Amos) Chen

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Education

2022-Present	Ph.D. in Finance (Supervised by Dr. Winifred Huang and Dr. Ru Xie)	University of Bath
2019-2021	MSc in Banking, Regulation and Financial Stability (Merit)	University of Bristol
2018-2019	MSc in Economics, Accounting and Finance (Merit)	University of Bristol
2013-2017	B.A. in Business Administration (With Honor)	Chung Yuan Christian University

Research

Research Fields

Empirical Banking, Syndicated lending, Private Equity, Venture Capital

Working Paper

[1] Work form home and relationship lending

This paper leverages the COVID-19 pandemic-induced work-from-home orders by the U.S. government as a quasi-natural experiment to study their impact on lending relationships in syndicated markets. Our findings indicate that reduced in-person interactions between borrowers and lenders amplify the informational advantage of relationship banks. We find that lead lenders' willingness to grant loans to relationship borrowers increased by 24.7 percentage points in a specific state with enforced restriction orders during the pandemic. We further show that relationship lenders charge lower loan spreads and larger loan amounts during this period, but they impose more performance-based covenants on monitoring the post-performance of borrowers. Our findings also indicate that a higher number of performance-based covenants is linked to a greater likelihood of loan amendments. Overall, our study underscores the value of lending relationships in overcoming challenges in accessing soft information during lockdowns, contributing to the discourse on relationship lending in crises.

Keywords: Work from home, Relationship banking, Syndicated loan, Covenant, Loan amendment

Revise and Resubmit in Journal of Banking and Finance

[2] PE-acquired ownership and LBO loan settings

We examine how agency conflicts between private equity (PE) investors and lenders influence leveraged buyout (LBO) loan pricing and covenants. Our analysis reveals that lenders generally provide cheaper LBO loans when PE investors acquire higher equity ownership in target firms. This suggests lenders perceive PE investors' interests as better aligned with their own when PE investors have larger equity stakes. However, for underperforming target firms before the buyout, higher PE ownership leads to stricter loan covenant restrictions, especially performance covenants. This is consistent with lenders' concerns about PE investors' risk-shifting behaviour when equity incentives are misaligned for underperformed firms. Overall, our findings highlight how lenders account for agency conflicts by adjusting LBO loan pricing and covenant settings based on PE investors' equity incentives and the performance of their acquired targets. The results have implications for understanding the governance role of LBO loan terms in mitigating agency costs between PE investors and creditors.

***Keywords*:** Private equity; ownership; leveraged buyout; agency conflicts; loan covenants; LBO loan pricing.

Under revision, Nominated as the Best PhD Paper in IFABS 2024, Shanghai

Work in Progress

[3] Investor Conservatism in Assets Pricing: Evidence from Early-Life Disaster Experience of U.S. Commercial Bankers

Does early-life disaster experience influence the way investors price financial assets? Using household registration information of bankers originating large corporate loans, we find unique evidence that bankers who had experienced higher number of major disaster events charge higher loan spreads than those experienced less or not. This effect holds regardless of bankers' risk preference in the selection of borrowers. It becomes stronger for borrowing firms with lower profitability and leverage, and those with higher pre-existing lending relationship with individual bankers, and even those with higher climate risk exposure. Our results are not driven by bank, banker characteristics and borrower fundamentals, but suggest that investor conservatism, driven by early disaster experience, shapes assets price.

Awards

2024	The Best PhD Paper Award Nominee in IFABS 2024, Shanghai

Presentations

2025	The 2025 International Finance and Banking Society (IFABS) Annual Conference
	Social and Sustainable Finance: Bridging Methods, Policy and Practice Conference
	The 2025 FMA Annual Meeting (planned)
2024	The 2024 International Conference in Banking and Financial Studies (ICBFS)
	Essex Finance Center (EFiC) 2024 Conference in Banking and Corporate Finance
	The 8th Entrepreneurial Finance (ENTFIN) Conference
	The 2024 International Finance and Banking Society (IFABS) Annual Conference
2023	The 17th NYCU International Finance Conference, and 3rd Yushan Conference
	The 2023 International Finance and Banking Society (IFABS) Annual Conference
	Essex Finance Center (EFiC) 2023 Conference in Banking and Corporate Finance
	The 7th Entrepreneurial Finance (ENTFIN) Conference

Other Experiences

2024-Present	Teaching Assistant for the undergraduate course of "Fundamentals of Finance"
2023-Present	Research Assistant for Dr.Winifred Huang
2023-Present	External Reviewer in European Journal of Finance
2023-Present	Examination Inviligator in School of Management, University of Bath
2020-2022	Business Division, Guangdong Branch, China Construction Bank

Skills

STATA, Python, Microsoft

Personal

Citizenship: China **Language:** English, Chinese UK Status: T4 Student Visa

Updated in May 2025

Investor Conservatism in Assets Pricing: Evidence from Early-Life Disaster Experience of U.S. Commercial Bankers

Baikun Chen*
School of Management, University of Bath, United Kingdom

Winifred Huang
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June 2025

Abstract

Does early-life disaster experience influence the way investors price financial assets? Using household registration information of bankers originating large corporate loans, we find unique evidence that bankers who had experienced higher number of major disaster events charge higher loan spreads than those experienced less or not. This effect holds regardless of bankers' risk preference in the selection of borrowers. It becomes stronger for borrowing firms with lower profitability and leverage, and those with higher pre-existing lending relationship with individual bankers, and even those with higher climate risk exposure. Our results are not driven by bank, banker characteristics and borrower fundamentals, but suggest that investor conservatism, driven by early disaster experience, shapes assets price.

JEL classification: G20, G21, G24, G32

Keywords: Corporate banker; conservatism; early life; disaster experience; assets pricing

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1. Introduction

In recent years, the United States has experienced a series of major disasters, prompting growing research into how early-life exposure to such events shapes managerial risk-taking. Evidence suggests that the impact of disaster exposure on managerial decision-making can be complex and multifaceted. For instance, CEOs who have witnessed fatalities from natural disasters may become more sensitive to risk and, consequently, more cautious when making decisions that could increase firm risk. Conversely, childhood exposure to natural disasters may also enhance a manager's ability to navigate uncertainty, increasing their confidence in making high-risk decisions. This suggests that the relationship between disaster exposure and managerial behavior may be nonmonotonic (Castillo and Carter, 2011). Bernile, Bhagwat, and Rau (2017) provide further insight into this dynamic, finding that CEOs who have witnessed the devastating consequences of natural disasters tend to adopt more conservative decision-making strategies. In contrast, those who have experienced fatal disasters without extreme consequences may exhibit more aggressive risk-taking behaviour. Despite these findings, one crucial yet underexplored channel through which disaster experience may influence real economic activity is its effect on the pricing mechanisms of financial markets. Investors' experiences with disasters can shape their level of conservatism, leading to variations in asset pricing. For example, individuals who have navigated hazardous early-life events may develop a more pessimistic outlook on future deal performance, prompting them to demand higher returns on assets. If this is the case, investors' disaster experiences could influence firms' funding costs and, ultimately, their investment decisions. Despite the significance of this issue, there is limited direct evidence demonstrating that investors' disaster experiences systematically shape asset prices. This gap in the literature underscores the need for further research on how personal histories of adversity impact financial decision-making and market outcomes.

Research on how investors' disaster experiences influence asset pricing faces significant empirical challenges. In financial markets where assets frequently change hands among a dispersed set of investors, it is difficult to pinpoint the specific pricing-setting agents or isolate the individual-level effects of investors' disaster experiences on pricing decisions. We address these challenges by focusing on the pricing decisions of corporate bankers in the U.S. syndicated loan market. This market serves as the largest external funding source for U.S. public firms (Sufi, 2007), with transactions typically involving large loan values. Consequently, determining loan spreads is an economically significant decision. In our setting, the key pricing agents are corporate bankers responsible for loan syndication and issuance. Their role includes prospecting, screening, and monitoring borrowers, during which they acquire valuable soft information. This information enables them to negotiate loan conditions and coordinate with other participant banks in forming a loan syndicate. Recent studies have shown that lead bankers exercise substantial discretion in setting loan prices (Bushman et al., 2021; Herpfer, 2021; Carvalho et al., 2023; Dagostino et al., 2023). If early-life disaster experiences shape lead bankers' conservatism, these experiences could influence their perceptions of borrowers' creditworthiness and repayment ability. As a result, such conservatism may systematically affect loan pricing decisions, highlighting a novel channel through which personal experiences impact financial market outcomes.

The notion that disaster experiences influence the conservatism of financial professionals is supported by prior research. Studies in finance have shown that corporate CEOs' early-life exposure to disasters significantly affects their risk-taking behaviour in managerial decisions (Bernile, Bhagwat, and Rau, 2017; Feng and Johansson, 2018), corporate social responsibility initiatives (O'Sullivan, Zolotoy, and Fan, 2021; Choi, Shin, and Kim, 2023), stock price volatility (Chen et al., 2021), and corporate hedging strategies (Li, Sun, and Zeng, 2023). However, firm performance is not determined solely by CEOs. Other factors, such as the board

of directors, management teams, and ownership structures, also play critical roles in shaping corporate decisions and their outcomes (e.g., Acharya et al., 2013; Gompers, Kaplan, and Mukharlyamov, 2016). Unlike top executives, individual investors directly make investment decisions, and the outcomes of these decisions are more transparent and rapid. Despite this, there remains a significant gap in the literature regarding how individual investors' early-life disaster experiences influence their investment behaviour—particularly in the context of corporate loan bankers making lending decisions. This gap is crucial because research suggests that lead bankers in syndicated lending exercise significant discretion in setting loan terms. Their early-life disaster experiences are shaped independently of institutional nurture factors, such as the characteristics of their employing banks or borrowing firms. Nonetheless, the effect of these early-life experiences on bankers' lending decisions may be moderated by other factors, including the financial performance of borrowing firms, bankers' individual lending relationships, their cumulative professional experience, and the climate risk disclosures of borrowing firms. These nurture factors may either amplify or mitigate the impact of early-life disaster experiences on loan pricing, underscoring the need for further research on how personal history shapes financial decision-making.

We firstly examine how bankers' early life disaster experience affects the interest rate spreads of the loans they originate. We do so by comparing the spreads on loans issued by bankers with and without disaster experience in their early life. The disaster experience of bankers is defined as ones who had experienced at least one major disaster from the age of 5 to 15 when they have basic recognition on the external environment (Nelson, 1993). We find a strong gap in disaster experienced pricing: bankers who had experienced major disaster events charge significantly higher loan spreads compared those who had not experienced such disaster events. Bankers' normal (emergency) disaster experience do not have significant effect on the loan pricing. This result is robust to various set of fixed effects, such as industry, loan purpose,

loan type, bank-year, banker state-year, borrower state-year, banker birth state and birth year fixed effects. We also control for a wide array of bankers' individual factors, borrower characteristics and loan contract items.

In addition, we investigate whether bankers' early life disaster experience also manifests in other dimensions of loan contracts. We find that aside from charging higher loan spreads, loans issued by bankers with disaster experience are more likely to be amended in the post-issuance period. They also issue loans with higher values, but the effects are not statistically significant at conventional values. We also do not find discernible different in maturity and covenant settings.

We discuss the concern that bankers experienced more disaster events might lend to riskier firms and therefore ask for higher loan spreads for compensation. We find no evidence that borrowers of disaster experienced bankers are riskier at the time of loan origination than borrowers of bankers experienced less or no disaster event. We next examine whether the extent of borrowers' risk-taking have effect on bankers' lending decisions. Our results show that disaster experienced bankers tend to charge cheaper loan spreads on firms with higher leverage but have higher cash holding and profitability. Conversely, disaster experienced bankers charge higher on firms with higher market-to-book ratio (*M2B*) and are investment-graded (*Rated*). It could be explained that borrowing firms with great potential in performance improvement can effectively reduce the concern of disaster experienced bankers.

We next explore whether the early life disaster experience have a long-lasting effect on bankers' loan decisions. Our analyses differentiate bankers as those age is large than 50 or not at the loan issuance year. We conjecture that the conservatism of disaster experienced bankers would diminish as their age growth. Consistent with our hypothesis, we find that disaster experience has a long-lasting effect on bankers' lending behaviour, and this effect is weakened at the late stage of their careers.

We further examine the role of credit market competition in moderating our effects. Our results show that borrowers rely on more loan funding issued by one individual banker are charged higher loan spreads. It could be explained that borrowers interacted with fewer credit providers face higher switching costs and more "held-up" on the current bankers. Those bankers experienced with disaster events might seek for charging an above-market rate for compensation.

Finally, we examine the sensitivity of bankers to the borrowers' current climate risk exposure. We predict that pricing gap arising from disaster experience should be more pronounced when there is significant uncertain related to the borrowers' climate risk. For those firms, bankers might have greater sensitivity to the potential severe losses caused by disaster events. Indeed, our effect intensifies for borrowers with higher exposure to physical assets risk and opportunity risk related with natural disasters.

The rest of the paper is structured as follows. Section 2 describes the literature review and contribution. Section 3 is the data sources and sample construction, and empirical models used in analysis. Section 4 reports the summary statistics. Section 5 and Section 6 describe the results of main analyses and additional robustness checks. Section 7 is the conclusion.

2. Literature review and contribution

2.1 Early life disaster experience

Natural disasters are widely regarded as significant threats, affecting approximately 160 million people worldwide each year (Hale et al., 2005). These events—ranging from earthquakes and droughts to landslides and hurricanes—inflict severe socioeconomic consequences, often requiring immediate external intervention (North and Hong, 2000). Beyond their immediate impact, research suggests that early exposure to natural disasters can have long-term cognitive, emotional, and physical effects that persist into adulthood (Kim and

Lee, 2014; Falk and Kosse, 2016; Osofsky et al., 2015; Rubin et al., 2019; Choi and Jung, 2021). Childhood, often considered a "vulnerable period" due to rapid cognitive, emotional, and physical development (Landrigan, 2004), leaves individuals particularly susceptible to the psychological imprint of such traumatic events. Consequently, investigating the influence of childhood disaster experiences has been identified as a crucial area for further exploration (Masten and Narayan, 2012; Peek et al., 2018).

Imprinting theory provides a useful framework for understanding how early-life experiences shape long-term behavior. This theory suggests that individuals develop enduring characteristics during sensitive periods, reflecting environmental influences that persist even after those conditions change (Marquis and Tilcsik, 2013). Childhood, early career stages, and young adulthood have been identified as key sensitive periods during which external events exert a disproportionately strong impact on individual development (Immelmann, 1975; Zhang et al., 2022).

In the business domain, research has predominantly examined the effects of natural disasters on individual and organizational risk-taking behavior. For instance, studies show that CEOs who experienced natural disasters during childhood tend to develop stronger risk aversion, influencing their firms' financial strategies and corporate social responsibility (CSR) decisions (Bernile, Bhagwat, and Rau, 2017; Choi, Shin, and Kim, 2023). Similarly, disaster exposure has been linked to investment portfolio volatility and increased demand for insurance products such as flood, life, or home insurance (Wang et al., 2012; Gallagher, 2014; Gao et al., 2020; Bernile et al., 2021).

However, despite growing evidence on how early-life disaster exposure shapes financial decision-making, little attention has been given to its potential effects on bankers' lending behavior. In syndicated lending, lead bankers play a central role in gathering soft information, assessing borrower risk, and making final lending decisions. This process is inherently

subjective, influenced not only by financial models and institutional policies but also by individual risk attitudes. Given the documented impact of early-life disasters on risk preferences in other domains, it is crucial to investigate whether similar effects extend to bankers' credit decisions. This study seeks to bridge this gap by examining the relationship between credit officers' early-life disaster experiences and their risk attitudes in lending decisions. Additionally, we explore potential boundary conditions that may moderate this relationship. By integrating insights from imprinting theory and behavioral finance, this research contributes to a deeper understanding of how formative experiences shape financial decision-making in the banking sector.

2.2 The bankers' role in loan contract designation

In the syndicated loan market, bankers play a crucial role in shaping loan contracts. Individual bankers influence contracting outcomes through variations in cognitive abilities, values, talents, and backgrounds. They interact with borrowers, gather and process soft information, and actively participate in lending decisions. The importance of bankers in the banking value chain has been further highlighted by financial crises, where distorted financial incentives—particularly for loan officers and loan originators—have been identified as potential contributors to systemic risk (Berg, 2015; Behr et al., 2020).

Despite their critical role, the decision-making processes of loan officers within large and complex banking organizations remain largely opaque to researchers. Existing studies, typically focused on single banks or experimental settings, provide evidence that incentive structures, organizational design, and bank policies significantly influence loan officers' decisions and loan performance. For example, Liberti and Petersen (2019) find that loan officers with greater decision-making authority rely more on soft information than hard information. Agarwal and Ben-David (2018), using a large dataset from a U.S. commercial

lender, demonstrate that loan-volume-based compensation increases lending volume but lowers loan quality. Other studies highlight the effects of nonlinear compensation structures that reward loan volume while penalizing poor performance. Behr et al. (2020) show that loan officers increase loan monitoring to protect their bonuses and significantly expand loan issuance at the end of the month to maximize compensation.

Beyond institutional and incentive-based influences, research has also examined individual differences among loan officers. Behavioral biases, career concerns, and personal traits—such as risk aversion, optimism, and overconfidence have been shown to impact lending decisions (Cole et al., 2015; Campbell et al., 2019; Gao, Kleiner, and Pacelli, 2020; Ceccarelli, Herpfer, and Ongena, 2023). Additionally, studies suggest that prevailing business culture in banking may weaken ethical norms, potentially encouraging dishonest behavior (Cole et al., 2015; Bushman et al., 2018).

While prior research has primarily focused on nurture factors, such as professional experience and external working environments, the potential influence of early-life experiences on bankers' decision-making remains underexplored. This study aims to fill this gap by investigating how bankers' childhood experiences shape their lending decisions and interact with their professional behavior. Specifically, we examine how early-life experiences, in combination with factors such as borrower selection, performance evaluation, and work experience, affect loan contract design. By accounting for these previously overlooked dimensions, our research provides a more comprehensive understanding of the determinants of bankers' decision-making in the syndicated loan market.

2.3 Banker's lending relationship with borrowers

Research on banking relationships has emphasized that individual bankers influence lending along two key dimensions. First, bankers exhibit time-invariant preferences for specific loan characteristics or lending styles. These preferences persist even after accounting for a wide range of borrower characteristics and remain robust across different economic conditions. Second, bankers engage in time-varying personal interactions with borrowers. Through repeated engagements, they accumulate soft information and build trust, which enhances their informational advantage and enables them to arrange more favorable loan conditions (Herpfer, 2021). This dynamic is also observed in the broader relationship between banking institutions and borrowers, where long-term lending interactions foster similar advantages (Degryse and Ongena, 2001, 2002; Egli, Ongena, and Smith, 2002; Ivashina and Scharfstein, 2010; Hagendorff, Lim, and Nguyen, 2023).

However, an alternative perspective on lending relationships suggests that relationship lenders may distort borrowers' investment decisions by creating a "lock-in" effect (Sharpe, 1990; Rajan, 1992). This effect is most pronounced for borrowers with limited or no alternative financing options, making them overly dependent on their relationship lenders. Such dependence may grant bankers disproportionate influence over loan terms, potentially leading to inefficient investment decisions.

Building on these insights, we hypothesize that individual bankers' loan decisions are shaped not only by their early-life experience and personal preferences but also by their accumulated knowledge of specific borrowers. Excluding the effects of early-life environments, bankers' decisions are likely further refined through their professional interactions, both personal and institutional, over the course of their careers. This study explore how the combination of bankers' early-life experience and their nurture-based experiences influence loan conditions, deepening our understanding of the interplay between banker behavior, borrower relationships, and lending outcomes.

3. Data, sample and empirical method

3.1 Dataset

We collect data from several sources. Starting with public firm accounting data from Compustat North America for non-financial borrowers from the 2001 to 2023. The starting year is the first year which electronic SEC filings are widely available. Following the Herpfer (2021), all borrowers are required to report non-missing data on assets, liabilities, EBITDA, market value and credit rating.

The second dataset Dealscan contains information on syndicated loan terms. We linked the syndicated loan dataset with the borrowing firms' financial information in Compustat. The Dealscan-Compustat link is performed using the Dealscan-Compustat link table provided by Chava and Roberts (2008) before 2017, and we manually extend the observations to the September in 2023.

The third dataset contains the US county-level disaster events like earthquakes, volcanic eruptions, tsunami, hurricanes, tornadoes, severe storms, floods, landslides, wildfires recorded in the United States Spatial Hazard Events and Losses Database (SHELDUS).

The fourth dataset consists of hand-collected data on interactions between commercial bankers and borrowers from loan agreements. Data on the interactions between bankers and borrowers stem from the signature pages of publicly available loan contracts. These signature pages contain information on both the banks involved in the deal and the bankers associated with each lender. Borrowers are generally required to submit their loan contracts to the SEC in accordance with item 601(b) of Regulation S-K. Item 601(b) requires borrowers to publish all "material events and contracts." Loan contracts generally qualify as material contracts and are therefore filed with the SEC. These filings also constitute a major source of the primary information in DealScan. Chava and Roberts (2008) report that more than half the entries in DealScan are based on such filings.

We start with all available 8-K, 10-K, and 10-Q filings for sample borrowers, which are obtained from the SEC's EDGAR filing system and employ a text search like Nini et al. (2009) and Herpfer (2021) to identify regulatory filings with attached loan contracts. The search program then identifies the signature page, which contains the names and titles of all bankers representing lenders in the deal. Once it has found the signature page, the program extracts the information on bankers and their employed bank institutions.

The figure 1 gives an example of a signature page and the different items extracted. The circles mark the name of the bank (JPMORGAN), the bank's role (Administrative Agent), the banker's name, and the banker's title (Senior Vice President). For the sake of privacy, I remove the banker's full name from the image.

<INSERT FIGURE 1 HERE>

The final dataset contains the identity information such as birth date and birthplace, and the career experience of each banker. I firstly identify the educational background and workplace of a banker by examining their LinkedIn profile (Figure 2). From the educational background, we can approximately estimate the birth year of this banker. Subsequently, we cross-reference this information with the residence records on Ancestry.com dataset. Confirmation is achieved if the name corresponds precisely, and the recorded birthday and residence locations align accurately with the known professional history (Figure 3).

<INSERT FIGURE 2 HERE>

<INSERT FIGURE 3 HERE>

We further check the marriage information of this banker (Figure 4). We find that at the marriage year of 1986, this banker is working as a loan officer in one bank institution. The bank institution name, work title and work span information are accurately matched with the career experience information shown in his Linkin page above.

<INSERT FIGURE 4 HERE>

Based on series stages in the identification process, we can further identify the birth information (birth date and birthplace) of this banker (Figure 5). This birth information could be accurately matched with the traumatic events recorded in the SHELDUS database and measure the bankers' early disaster experience. We follow the same way to check other bankers' information.

<INSERT FIGURE 5 HERE>

3.2 Sample construction

Following previous literature studying lender-side effects in the syndicated loan market (e.g., Bushman et al., 2021; Herpfer, 2021; Dagostino et al., 2023; Zhang et al., 2024), we construct a lender (banker)-by-loan panel. To do so, we merge the information on loans issued by our sample bankers with their traumatic experience information in their birth places from age 5 to 15. We exclude the observations with mission information in bankers' characteristics, borrower factors and loan items. Considering the data availability of the SHELDUS database is begin from the year of 1960, we only retain our sampling bankers who were born at and after the year of 1955.

Our final sample includes 2,568 bankers, among whom 2,006 had experienced at least one major disaster event and 562 had not experienced any major disaster events during their early life in birth places. These bankers collectively underwrite 9,693 loan facilities with a total value exceeding $5.1 trillion.

3.3 Empirical specification

Our variable of interest is the log of all-in-drawn spread over LIBOR specified on a syndicated loan contract. To explore the empirical relation between banker early life disaster experiences and loan pricing, we estimate the following baseline regression model:

$$Loan_spread_{ijt}$$

$$= \beta_1 * MajorDisaster_j + LoanControls + BorrowerControls_{it-1}$$

$$+ BankerControls + IndustryFE + Bank_YearFE + LoanPurposeFE$$

$$+ LoanTypeFE + \in_{ijt} \qquad (1)$$

Where i is the firm index, j is banker index and t is year index. containing variables like *Book_Leverage, Cash_Asset, ROA, Rated* (Bernile, Bhagwat and Rau, 2017).

The main explanatory variable $MajorDisaster_j$ represents the banker's early life disaster experience. We define this variable by two ways. First, as we see there is a widespread distribution of the number of major disaster event (from 0 to 11 times) that bankers had experienced from age 5 to 15 in our sample, we take the logarithm value of one plus the major disaster[1] number as the variable *Major_Disaster_Num* to measure banker's early life disaster experience. Secondly, following previous study discussing the effect of CEO early life disaster experience on firm behaviour (e.g. Choi, Shin and Kim, 2023; Li, Sun, and Zeng, 2023), we take the variable *Major_Disaster_Exp* as an indicator which equals to 1 if the banker birth in the county where at least one major disaster event (flood, drought, severe storm, coastal storm, tornado, hurricane, snow, freezing, fire, severe ice storm, volcano, typhoon, earthquake and hurricane) occurred between the banker's ages from 5 to 15 and 0 otherwise.

We set Loan controls as *secured, maturity, loan size, covenants* (Herpfer, 2021), Borrower controls as *Book_Leverage, Cash-to-Asset(Cash_Asset), Return-on-assets (ROA), Rated, Market-to-Book (M2B)*, *R&D* and *Dividend Payout (Dividend)* (Bernile, Bhagwat and Rau,

[1] According to the definition in SHELDUS database, a major disaster refers to an extreme event that causes significant loss of life, property damage, and economic disruption. These events usually meet the threshold for federal disaster declarations under the Stafford Act, which provides substantial federal assistance. These disasters have long-term recovery implications and require extensive aid beyond local and state capabilities. An emergency disaster is a less severe event that still requires immediate action but does not meet the criteria for a full major disaster declaration. Emergency declarations generally provide limited federal aid, focused on immediate response rather than long-term recovery. The impact is usually more contained and does not lead to widespread displacement or catastrophic damage.

2017), Banker Controls as *Age, Age_Squared, Race (Banker_White or not)* and *Gender (Banker_Female or not)* (Choi, Shin and Kim, 2023). Our empirical model also controls industry fixed effects, loan purpose fixed effects, loan type fixed effects bank-year fixed effects. These fixed effects help to remove the potential effect of intrinsic, time-invariant industrial factors, borrowers' funding purpose and bank institutions' time-varying dynamics on loan price settings. Standard errors are cluster at firm and banker level.

4. Summary statistics

Table 1 presents the birth state and disaster experiences of bankers. Panel A of table 1 describes the bankers' born states and early-life disaster experiences. 15.15% of our sample bankers are born in New York, and an additional 9.50% of the bankers born in Texas. California accounts for 9.23% of bankers, followed by Illinois (8.33%), Massachusetts (6.23%), and Pennsylvania (5.45%). The rest of bankers' (46.11% of the sample) birthplaces are split across 44 states. We can also find that 2,006 (78.12%) of our sampling bankers have experienced traumatic events in their early life, only 562 bankers (21.88%) have not traumatic experiences. Panel B shows the number of traumatic (major disaster) events that our sampling bankers have experienced in their early life. We can find that 25.43% of bankers have experienced one major disaster event, followed by two events (19.67%), three (17.41%) and four (8.88%) disaster events. It means that the effect extreme natural disaster events are widespread in the U.S., covering almost all states and different period. Therefore, it is worthwhile for us to explore its potential effect on the investors' behaviours, such as the syndicated loan bankers' lending decisions.

< INSERT TABLE 1 HERE >

Table 2 reports summary statistics for the variables used in our analysis. Approximately 80% of loans in our sample are extended by bankers with major disaster experience in early life. The average loan in our sample has a face value of $527.438 million, matures in about 49 months, corresponding to 4 years, and has an all-in-drawn spread of 227.743 basis points over the LIBOR. Over 40% of them are amended after the issuance.

Before our main analysis, we compare the characteristics of loans extended by disaster experienced and non-disaster experienced bankers in several ways. First, we compared the average loan terms and borrower characteristics between observations where the lead banker has experienced disaster event in early life and not. Results are provided in the Panel B of Table 2. We note that disaster experienced bankers seem to generate loans with higher interest spreads and large face value than non-disaster experienced bankers. Loans issued by disaster experienced bankers are more likely to be amended, less likely to be collaterized and are imposed fewer financial covenants. Borrowers of disaster experienced bankers are less profitable and are less likely to pay out dividends in the fiscal year before the loan issuance date.

< INSERT TABLE 2 HERE >

We next make the correlation matrix to observe the relation of all variables in our analysis. In the column (1) and (3) of Table 3, we can also find that bankers have experienced major disaster or experienced more major disaster events are more likely to issue loans with higher interest spreads and large face value, and their issued loans are more likely to be amended later. However, these disaster experienced bankers impose lower financial covenants on loan contracts. In addition, disaster experienced bankers are more likely to issue loans to borrowers with lower profitability (*ROA*) and dividend pay-out (*Dividend*).

< INSERT TABLE 3 HERE >

5. Main results

5.1 Baseline results

To investigate the relation between bankers' early life traumatic experience and loan price setting, we employ the regression to estimate Equation (1). The results of our regression analysis are presented in Table 4. The dependent variable is the logarithm value of the all-in-drawn spread over LIBOR of the loan facility. The main variable in Columns (1) and (3) is *Major_Disaster_Num* and in Columns (4) and (6) is *Major_Disaster_Exp*. All the estimated coefficients on both *Major_Disaster_Num* and *Major_Disaster_Exp* are positive and statistically significant at the 1% level. We also consider the potential effect of bankers' early life normal emergency disaster experience (*Emergency_Disaster_Num* and *Emergency_Disaster_Exp*) on the loan pricing and compare it with major disaster experience. We have not found any significant evidence on bankers' emergency disaster experience on loan pricing.

Specially, in column (3), the estimated coefficient on *Major_Disaster_num* is 0.045, indicating that loans issued by lead bankers who had experienced one standard deviation increase in major disaster events between the ages of 5 and 15 years is associated with 1.03 (=exp (0.568*0.045)) basis point increase in all-in-drawn spread over LIBOR. Similarly, the estimated coefficient of *Majordisaster_exp* in column (6) is 0.060, meaning that loans issued by bankers who had experienced at least one major disaster event from the age of 5 to 15 is correlated with 1.06 (=exp (0.060)) basis point increase in loan interest spreads.

Overall, our findings suggest that loans issued by bankers with more early life disaster experiences are priced higher. This finding is similar with the view of Bernile, Bhagwat, and Rau (2017) that CEOs with extreme disaster experiences tend to adopt more conservative approach to corporate activities. Moreover, our findings are consistent with existing literature,

indicating that direct exposure to a bankruptcy event in the financial market can significantly influence a manager's risk preference, leading to more conservative decisions to prevent any unfavourable outcomes (Dittmar and Duchin, 2016). Our findings highlight the substantial role of bankers' early life disaster experiences in shaping loan pricing decisions.

< INSERT TABLE 4 HERE >

5.2 Other loan settings

Our baseline results suggest that disaster experienced bankers charge higher loan spreads on the loans they issue. Do they also tighten other loan terms, including loan size, maturity and covenant settings.

In Panel A of Table 5, we examine non-pricing terms of the loan contract. We do not significant relation between disaster experienced banker and loan amount and maturity. In Panel B, we also do not find significant relation between disaster experienced banker and covenant settings. Only bankers experienced with normal emergency disasters are more likely to impose higher covenants, especially general covenants, on loan contracts. We further examine the relation between bankers' early life disaster experiences and the probability of loan amendment. We find that loans issued by disaster experienced bankers are more likely to be amended in the post-issuance period. It could be explained that disaster experienced bankers are more conservative and therefore increase their communication with borrowers. Because of that, they can acknowledge the borrowers' dynamic performance more efficiently and adjust loan terms frequently.

Overall, results from this analysis suggest that, as the bankers' conservatism shaped by disaster experiences, they are only more likely to charge higher loan pricing and to amend loan terms more frequently after issuance. Thus, the disaster experienced pricing gap we document

is unlikely to be explained by bankers' intention to compensate for, or coordinate with, changes in other contract terms.

< INSERT TABLE 5 HERE >

5.3 Addressing the firm fundamental effect

We discuss the concern that bankers have experienced major disaster events in early life may lend to riskier firms for the compensation of higher loan spreads. We address this concern by regressing borrower fundamentals representing the risk-taking of firms (Bernile, Bhagwat, and Rau, 2017), including leverage, liquidity, profitability, credit rating, market value, R&D expenditure and dividend payment, on the traumatic experience of bankers. In both Panel A and Panel B of Table 6, we find no evidence that borrowers of disaster experienced bankers are riskier than non-disaster experienced bankers.

We next examine the interaction effect of firm fundamentals and bankers' major disaster experience. In Panel C and Panel D of Table 6, we have found that disaster experienced bankers are more likely to charge lower pricing on borrowers with higher book leverage ratio (*Book_Leverage*) and higher return-on-assets (*ROA*). In order to systematically analyse the effect of disaster experienced bankers and borrower fundamentals, we interact all firm fundamentals with disaster experienced bankers and integrate them in one regression model. In the column (8) of both Panel C and Panel D, we still find that disaster experienced bankers are more likely to charge lower pricing on borrowers with higher leverage ratio, meanwhile they also provide friendly loan pricing to borrowers with higher liquidity (*Cash_Asset*) and profitability (*ROA*). However, disaster experienced bankers charge higher loan pricing on borrowers with higher market value premium (*M2B*) and investment graded (*Rated*), which reflects their conservatism on the borrowers' risk-taking behaviour and the potential bias of credit rating institutions' grading system.

< INSERT TABLE 6 HERE >

5.4 Addressing the effect of bankers' age growth

Previous studies have found that childhood experiences, particularly those involving adversity or trauma, can have profound and lasting effects on individuals, aligning with the premises of imprinting theory. Imprinting theory emphasizes how experiences during sensitive periods leave lasting imprints despite subsequent environmental changes (Marquis and Tilcsik, 2013; Peek et al., 2018). What makes our exploration of bankers' experiences in early life and its combination with the potential effect of age growth on their lending behaviour is that these experiences are independent of both banks and borrowing firms' characteristics. Consequently, they may offer a unique lens through which to understand and identify the factors influencing bankers' lending decisions.

We use the dummy *Age50* to measure the age growth of the banker. It takes the value of one if the banker's age is equal to or large than 50 years old at the loan issuance date, otherwise it would be zero. In our analysis, the coefficients in the interaction term between *Major_Disaster_Num* and *Age50* is significantly negative. This result supports our conjecture that early life disaster experience leaves lasting imprints on bankers' behaviours, and the effect of this imprint would no longer be significant on their later stage of career (after the age of 50).

< INSERT TABLE 7 HERE >

5.5 Addressing the lending relationship effect

We test whether the lending relationship between individual bankers and borrowers could influence our results. We have two conjectures on the analysis. From the prospect of information transmission, bankers execute time-varying interactions on a personal level with borrowers. Through repeating interactions, bankers gather soft information about borrowers and build trust, which can increase the bankers' information advantage on borrowers and

arrange favourable loan conditions (Degryse and Ongena, 2001, 2002; Egli, Ongena and Smith, 2002; Ivashina and Scharfstein, 2010; Herpfer, 2021). From the prospect of credit market competition, the higher lending relationship might reflect that firms have limited credit access and single funding provider has monopoly on them. In addition, limited credit access could also be explained that outside lenders are opaque on the firms' real performance and fear adverse selection in providing credits to them (e.g., Sharpe, 1990; Rajan, 1992; Dagostino, Gao, and Ma, 2023). Under this situation, bankers with early life disaster experience might monopoly the relationship borrowers with higher loan pricing to reduce their concern arise from conservatism.

Table 8 reports our analysis results. The interaction term generates a positive and significant coefficient across all measures of borrowers' lending relationship with individual bankers. The result is consistent with our second conjecture as the evidence related to credit market competition and borrower opacity, suggesting that the effect of bankers' disaster experience is more pronounced for borrowers that are "held-up" in the current lending relationships.

< INSERT TABLE 8 HERE >

5.6 Addressing the borrowers' climate risk exposure

We finally address whether the firms' exposure to climate risk have significant effect on bankers' lending decisions. Climate risk causes both direct destruction of firms' properties (e.g., buildings and equipment) used in business operations and indirect damage to supply chains, products, and markets (Mazzacurati et al., 2018). From the prospect of banks, the significant losses of borrowing firms caused by severe climate events would make the put option in the money and leaving banks' payoff at risk. Under such circumstances, climate risk becomes a

major concern for banks (Huang et al., 2022). We therefore conjecture that climate risk of borrowers is also a significant concern of bankers in lending decisions.

We interact the climate risk measures with bankers' early life disaster experience in our analysis. The climate risk exposure data of borrowing firms is cited from the Sautner et al. (2023), who adapts a machine learning keyword discovery algorithm to capture firms' exposures related to opportunity, physical, and regulatory shocks associated with climate change recorded in the quarterly conference call reports. The coefficients are positively significant in the interaction with opportunity and physical risk, which are consistent with our conjecture that bankers, especially for those experienced major disasters in early life, are more sensitive to the climate risk of borrowers and therefore charge higher loan spreads.

< INSERT TABLE 9 HERE >

6. Additional robustness checks

6.1 Additional fixed effects

In closing, we discuss several robustness checks. To start, we consider the possibility that in some cases loan facilities are issued by two or more lead bankers and bank institutions, which might lead to measure biases on the specific loan bankers' early life disaster experience. Our baseline results are still robust after excluding 738 loan facilities with multiple lead bankers or bank institutions (see Panel A of Table 10).

Next, we discuss the potential effect of the current time-varying environmental factors in both bankers and borrowers. In this part, we add various stringent fixed effects controlling for both bankers and borrowers' working environment at the issuance date of the loan (see Panel B of Table 10). To effectively purge cohort effects from our analysis, we further add birth state and birth year fixed effects in our empirical specification (see Panel C of Table 10). Our results

are still unchanged with the addition of these fixed effects, suggesting that current factors of bankers and borrowers cannot explain the effect of bankers' early life disaster experience.

< INSERT TABLE 10 HERE >

6.2 Propensity score matching (PSM) test

While our previous analysis helps address potential endogeneity concerns related to unobserved heterogeneity in borrower and commercial banker characteristics, we also need to account for potential biases stemming from the endogenous matching problem. Borrowers and bankers are not randomly matched in the syndicated loan market. If bankers strategically select borrowers based on specific characteristics aligned with their risk management strategies the estimated coefficients in our regression could be biased. For example, risk-tolerant bankers might select higher risk-taking borrowers and charge higher interest spreads for compensation rather than risk avoidance. To mitigate this concern, we employ propensity-score matching (PSM) to construct treatment groups in which loan tranches are issued by bankers with high early-life major disaster experiences and control groups in which loan tranches are issued by bankers with low early-life major disaster experiences but borrowers share similar firm-specific characteristics with those in the treatment groups.

We utilize a PSM method proposed by Rosenbaum and Rubin (1983). We employ a probit model to estimate the probabilities (propensity scores) of borrowers select bankers with high early-life major disaster experiences. The dependent variable in the probit model is *Disaster_High*, a dummy takes one if the number of major disasters experienced by a banker is higher than the median value of all bankers in the sample, otherwise zero. While the independent variables include the control variables in Equation (1). Based on the estimated propensity scores, we match the borrower-loan tranche observations in the treatment groups

with those in the control groups, using a one-to-four nearest-neighbor matching without replacement and with a caliper width of 0.005.

To validate the efficiency of our PSM procedure, we conduct a diagnostic test as the univariate comparison of the matching variables between the treatment and control groups. Panel A of Table 11 shows that all the differences in the mean values of the matching variables between the treatment and control groups are statistically insignificant. It suggests that borrowers in the treatment and control groups are comparable in terms of observable firm characteristics.

Next, we re-estimate Equation (1) using the propensity score matched samples. In Columns (1) and (2) of Panel B in Table 11, we find the estimated coefficients on *Disaster_High* are all positive and statistically significant. The magnitude of these coefficients is comparable to those reported in Table 4. The evidence from the PSM tests reinforces our earlier conclusion regarding the significant role that bankers' early-life disaster experiences play in affecting loan pricing.

7. Conclusion

This study provides novel insights into how early-life disaster experiences shape the lending decisions of corporate bankers in the syndicated loan market. By analyzing the impact of bankers' disaster exposure during childhood on loan pricing, we find that those who have experienced major disasters charge significantly higher loan spreads than their counterparts without such experiences. This effect persists after accounting for a broad set of fixed effects and control variables, suggesting that personal histories of adversity play a systematic role in financial decision-making.

Beyond loan spreads, our findings indicate that disaster-experienced bankers are more likely to issue loans that require post-issuance amendments, though their impact on other

contract terms, such as maturity and covenants, is limited. While an alternative explanation could be that these bankers lend to riskier firms, we find no evidence supporting this concern. Instead, our results suggest that disaster-experienced bankers exhibit more conservative lending behavior toward firms with high market-to-book ratios and investment-grade ratings while offering lower spreads to firms with strong cash holdings and profitability.

We further demonstrate that the influence of early-life disaster experiences on lending decisions is long-lasting but weakens as bankers advance in their careers. Additionally, we find that credit market competition moderates these effects, with bankers charging higher loan spreads when borrowers have fewer alternative funding sources. Lastly, our results highlight that disaster-experienced bankers exhibit heightened sensitivity to borrowers with significant exposure to climate-related risks, reinforcing the notion that personal history influences perceptions of uncertainty and risk.

Overall, this study contributes to the literature on behavioral finance and banking by identifying early-life disaster experience as a key determinant of bankers' decision-making. Our findings underscore the broader implications of personal history on financial markets, particularly in shaping risk attitudes and pricing strategies. Future research could further explore how other early-life experiences, such as financial crises or socio-economic shocks, influence financial professionals' decision-making, extending our understanding of how personal adversity shapes economic behavior.

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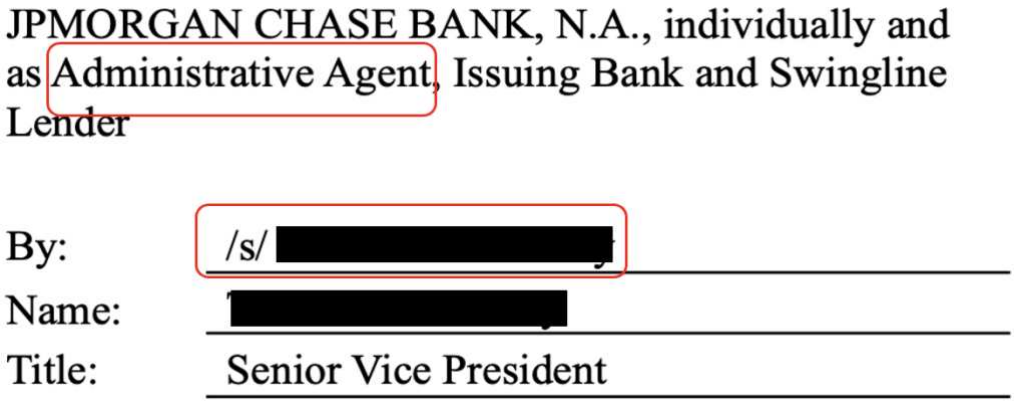


Fig. 1. Example of the signature page of lead banker in credit agreement. The red circles indicate information extracted by the text search algorithm. This information includes the name and role of the bank. The name of the banker is anonymized for the sake of privacy.

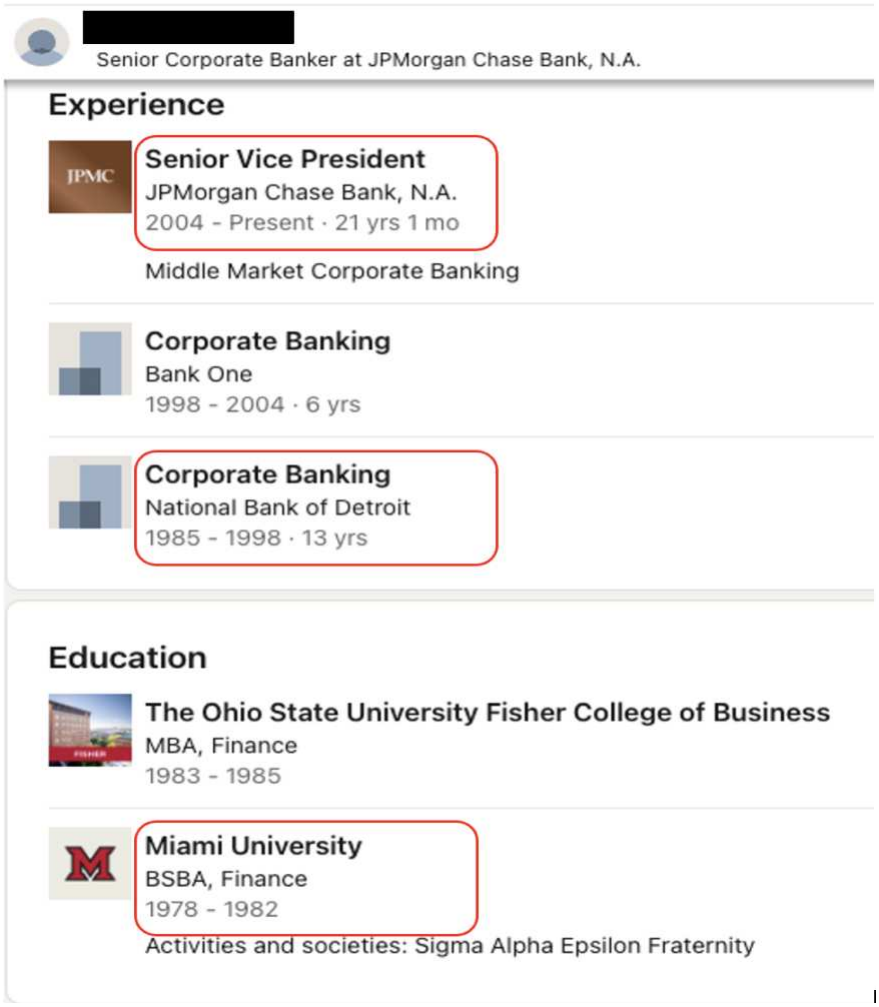
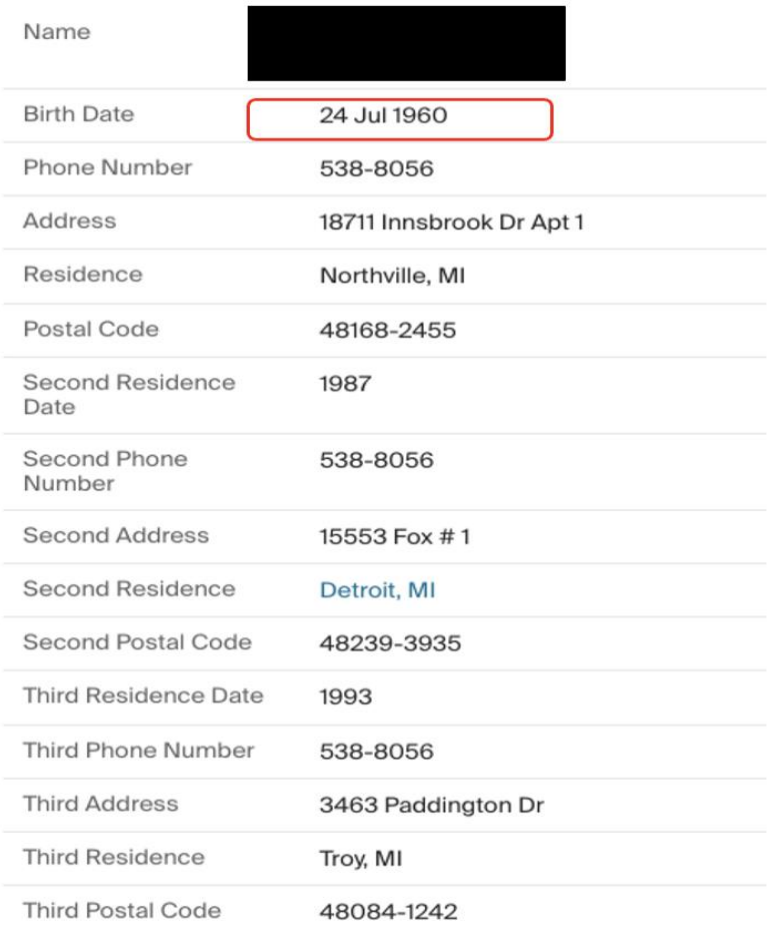


Fig. 2. Example of a banker's career and study experience shown in personal LinkIn webpage. The red circles the career information of the banker at the loan issuance rate, this information includes the name and the title of the banker in the bank. The name of the banker is anonymized for the sake of privacy.



Name	[redacted]
Birth Date	24 Jul 1960
Phone Number	538-8056
Address	18711 Innsbrook Dr Apt 1
Residence	Northville, MI
Postal Code	48168-2455
Second Residence Date	1987
Second Phone Number	538-8056
Second Address	15553 Fox # 1
Second Residence	Detroit, MI
Second Postal Code	48239-3935
Third Residence Date	1993
Third Phone Number	538-8056
Third Address	3463 Paddington Dr
Third Residence	Troy, MI
Third Postal Code	48084-1242

Fig. 3. Example of a banker's residence information shown in the Ancestry.com. The red circles the birthday information of the banker. The name of the banker is anonymized for the sake of privacy.

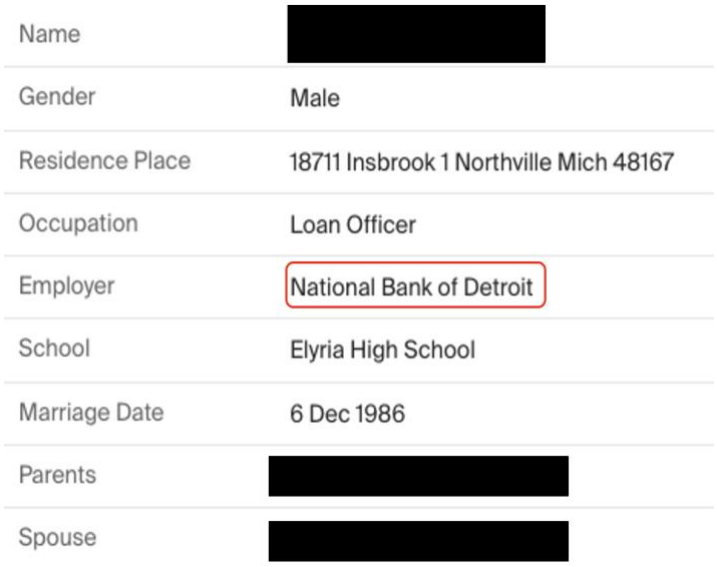


Fig. 4. Example of a banker's marriage information shown in the Ancestry.com. The red circles the employer of the banker at the marriage date. The name of the banker is anonymized for the sake of privacy.

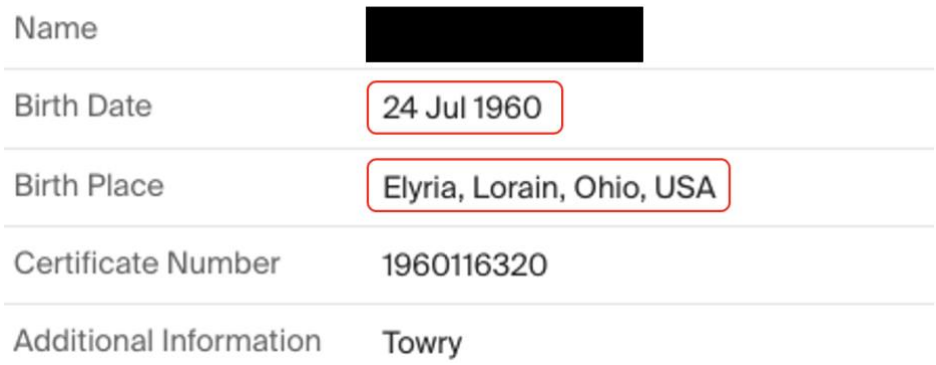


Fig. 5. Example of a banker's birth information shown in the Ancestry.com. The red circles the birthday and birthplace of the banker. The name of the banker is anonymized for the sake of privacy.

Table 1
Descriptive statistics of bankers

This table presents summary statistics regarding bankers' birthplace distribution as well as major disaster experience. Panel A describes the distribution of bankers' birthplaces across U.S. states. Panel B reports the number of major disaster events that the sample bankers have experienced in their early life.

Panel A: Distribution of bankers across different birth states				
Birth_State	Non-Disaster Experienced	Disaster Experienced	Total	Banker_%
Alabama	1	15	16	0.62%
Arizona	0	16	16	0.62%
Arkansas	1	1	2	0.08%
California	18	220	238	9.27%
Colorado	13	17	30	1.17%
Connecticut	49	47	96	3.74%
Delaware	9	1	10	0.39%
Florida	23	41	64	2.49%
Georgia	33	44	77	3.00%
Hawaii	1	3	4	0.16%
Idaho	1	2	3	0.12%
Illinois	9	205	214	8.33%
Indiana	27	17	44	1.71%
Iowa	9	18	27	1.05%
Kansas	2	5	7	0.27%
Kentucky	7	19	26	1.01%
Louisiana	7	17	24	0.93%
Maine	2	10	12	0.47%
Maryland	8	28	36	1.40%
Massachusetts	39	121	160	6.23%
Michigan	26	55	81	3.15%
Minnesota	8	44	52	2.02%
Mississippi	0	2	2	0.08%
Missouri	6	34	40	1.56%
Montana	1	2	3	0.12%
Nebraska	0	9	9	0.35%
Nevada	5	2	7	0.27%
New Hampshire	1	11	12	0.47%
New Jersey	7	78	85	3.31%
New Mexico	3	0	3	0.12%
New York	29	360	389	15.15%
North Carolina	35	31	66	2.57%
North Dakota	0	6	6	0.23%
Ohio	33	77	110	4.28%
Oklahoma	2	13	15	0.58%
Oregon	1	10	11	0.43%
Pennsylvania	35	105	140	5.45%
Puerto Rico	0	1	1	0.04%
Rhode Island	1	7	8	0.31%
South Carolina	16	2	18	0.70%

South Dakota	2	0	2	0.08%
Tennessee	9	14	23	0.90%
Texas	45	198	243	9.46%
Utah	6	5	11	0.43%
Vermont	2	5	7	0.27%
Virginia	13	29	42	1.64%
Washington	2	15	17	0.66%
Washington DC	4	4	8	0.31%
West Virginia	1	3	4	0.16%
Wisconsin	7	37	44	1.71%
Wyoming	3	0	3	0.12%

Panel B: Bankers' early life disaster experience number		
Major Disaster Number	Number of Bankers	Percent
0	562	21.88%
1	653	25.43%
2	505	19.67%
3	447	17.41%
4	228	8.88%
5	89	3.47%
6	41	1.60%
7	14	0.55%
8	17	0.66%
9	8	0.31%
10	1	0.04%
11	3	0.12%
Total	2,568	100.00%

Table 2
Descriptive statistics of variables

This table presents summary statistics of variables used in our analysis (Panel A) and the difference between loans issued by disaster experienced and non-disaster experienced bankers. All the definition of variables are shown in Appendix.

Panel A: Summary statistics of key variables

Variable	Obs	Mean	Std. dev.	Min	Max
Major_Disaster_Num	9,693	0.914	0.568	0.000	2.485
Major_Disaster (Number)	9,693	1.900	1.576	0.000	11.000
Emergency_Disaster_Num	9,693	0.211	0.354	0.000	1.946
Emergency_Disaster (Number)	9,693	0.329	0.619	0.000	6.000
Major_Disaster_Exp	9,693	0.799	0.401	0.000	1.000
Emergency_Disaster_Exp	9,693	0.279	0.449	0.000	1.000
Banker_Female	9,693	0.277	0.448	0.000	1.000
Banker_Age	9,693	41.773	7.710	21.000	68.000
Banker_Age_Square	9,693	1804.393	669.281	441.000	4624.000
Age50	9,693	0.149	0.356	0.000	1.000
Banker_White	9,693	0.913	0.282	0.000	1.000
Book_Leverage	9,693	0.283	0.246	0.000	8.333
Cash_Asset	9,693	0.088	0.104	0.000	0.932
ROA	9,693	0.018	0.907	-13.333	85.444
Rate	9,693	0.405	0.491	0.000	1.000
M2B	9,693	2.658	61.971	0.328	4313.000
R&D	9,693	0.020	0.055	0.000	1.370
Dividend	9,693	0.104	0.305	0.000	1.000
Loan_Spread	9,693	5.214	0.689	3.219	6.751
All-in-Drawn-Spread	9,693	227.743	152.286	4.000	1600.000
Loan_Amount	9,693	5.101	1.630	0.693	8.517
Tranche_Amount	9,693	527.438	1393.770	0.070	49000.000
Maturity	9,693	3.750	0.604	1.792	4.500
Tranche_Maturity	9,693	48.999	21.006	1.000	240.000
Covenant	9,693	0.691	0.462	0.000	1.000
Performance_priced	9,693	0.520	0.500	0.000	1.000
Collaterized	9,693	0.387	0.487	0.000	1.000
Amend	9,693	0.405	0.491	0.000	1.000
All_Covenant	9,693	1.317	0.927	0.000	2.773
Financial_Covenant	9,693	0.724	0.565	0.000	1.946
General_Covenant	9,693	1.023	0.870	0.000	2.398
RelationAmt_Banker_3Y	9,693	0.190	0.374	0.000	1.000
RelationNum_Banker_3Y	9,693	0.186	0.368	0.000	1.000
RelationDum_Banker_3Y	9,693	0.224	0.417	0.000	1.000
Op_Risk_Exp	7,275	0.046	0.313	0.000	6.481
Ph_Risk_Exp	7,275	0.004	0.096	0.000	6.024

Panel B: Difference between disaster experienced and non-disaster experienced bankers					
Variables	Major_Disaster_Exp==0	Mean	Major_Disaster_Exp==1	Mean	Mean_Diff
Major_Disaster_Num	1,950	0.000	7,743	1.144	-1.144***
Major_Disaster (Number)	1,950	0.000	7,743	2.378	-2.378***
Emergency_Disaster_Num	1,950	0.190	7,743	0.217	-0.027***
Emergency_Disaster (Number)	1,950	0.297	7,743	0.337	-0.040**
Major_Disaster_Exp	1,950	0.000	7,743	1.000	-1.000
Emergency_Disaster_Exp	1,950	0.240	7,743	0.289	-0.049***
Banker_Female	1,950	0.297	7,743	0.272	0.025**
Banker_Age	1,950	42.613	7,743	41.561	1.052***
Banker_Age_Square	1,950	1871.085	7,743	1787.597	83.488***
Age50	1,950	0.158	7,743	0.147	0.011
Banker_White	1,950	0.935	7,743	0.907	0.028***
Book_Leverage	1,950	0.281	7,743	0.284	-0.003
Cash_Asset	1,950	0.087	7,743	0.088	-0.002
ROA	1,950	0.061	7,743	0.007	0.054**
Rate	1,950	0.406	7,743	0.405	0.001
M2B	1,950	1.865	7,743	2.858	-0.992
R&D	1,950	0.019	7,743	0.021	-0.002
Dividend	1,950	0.115	7,743	0.101	0.013*
Loan_Spread	1,950	5.149	7,743	5.230	-0.081***
All-in-Drawn-Spread	1,950	216.141	7,743	230.665	-14.525***
Loan_Amount	1,950	4.971	7,743	5.134	-0.163***
Tranche_Amount	1,950	442.179	7,743	548.909	-106.730***
Maturity	1,950	3.749	7,743	3.751	-0.002
Tranche_Maturity	1,950	48.891	7,743	49.026	-0.135
Covenant	1,950	0.703	7,743	0.688	0.015
Performance_priced	1,950	0.534	7,743	0.517	0.018
Collaterized	1,950	0.411	7,743	0.381	0.030**

Amend	1,950	0.376	7,743	0.412	-0.036***
All_Covenant	1,950	1.357	7,743	1.307	0.050**
Financial_Covenant	1,950	0.764	7,743	0.714	0.050***
General_Covenant	1,950	1.048	7,743	1.017	0.031
RelationAmt_Banker_3Y	1,950	0.200	7,743	0.187	0.013
RelationNum_Banker_3Y	1,950	0.197	7,743	0.183	0.013
RelationDum_Banker_3Y	1,950	0.234	7,743	0.222	0.012
Op_Risk_Exp	1,462	0.034	7,743	0.049	-0.015*
Ph_Risk_Exp	1,462	0.003	7,743	0.005	-0.002

Table 3
Correlation matrix

Variable		(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)
Major_Disaster_Num	(1)	1.000													
Major_Disaster (Number)	(2)	0.941	1.000												
Emergency_Disaster_Num	(3)	0.111	0.134	1.000											
Emergency_Disaster (Number)	(4)	0.110	0.135	0.965	1.000										
Major_Disaster_Exp	(5)	0.808	0.605	0.031	0.026	1.000									
Emergency_Disaster_Exp	(6)	0.113	0.129	0.958	0.855	0.044	1.000								
Banker_Female	(7)	-0.017	-0.016	-0.047	-0.049	-0.022	-0.039	1.000							
Banker_Age	(8)	-0.109	-0.140	-0.273	-0.266	-0.055	-0.265	0.078	1.000						
Banker_White	(9)	-0.087	-0.107	-0.043	-0.042	-0.039	-0.040	-0.088	0.077	1.000					
Book_Leverage	(10)	0.008	0.006	0.000	0.010	0.006	-0.012	-0.003	0.027	-0.003	1.000				
Cash_Asset	(11)	0.020	0.025	0.033	0.033	0.006	0.031	-0.008	-0.031	-0.022	-0.250	1.000			
ROA	(12)	-0.020	-0.015	0.000	0.001	-0.024	-0.002	0.001	-0.005	-0.002	0.300	-0.007	1.000		
Rate	(13)	-0.001	-0.007	0.022	0.030	0.000	0.013	0.025	0.072	-0.052	-0.080	-0.029	0.034	1.000	
M2B	(14)	0.004	0.001	-0.008	-0.007	0.006	-0.008	-0.009	0.009	0.004	-0.007	-0.006	-0.178	-0.010	1.000
R&D	(15)	0.029	0.031	0.040	0.035	0.016	0.044	-0.018	-0.052	-0.010	-0.158	0.365	-0.081	-0.051	-0.001
Dividend	(16)	-0.010	-0.006	-0.004	-0.002	-0.018	-0.006	-0.038	-0.041	0.007	0.115	-0.031	-0.020	-0.123	-0.006
Loan_Spread	(17)	0.052	0.045	0.028	0.028	0.047	0.026	-0.084	-0.038	0.042	0.223	0.045	-0.051	-0.371	0.006
All-in-Drawn-Spread	(18)	0.035	0.027	0.022	0.019	0.038	0.024	-0.076	-0.045	0.050	0.217	0.043	-0.057	-0.326	0.004
Loan_Amount	(19)	0.032	0.028	0.028	0.043	0.040	0.006	0.082	0.201	-0.083	0.094	-0.152	0.038	0.282	-0.007
Tranche_Amount	(20)	0.030	0.027	0.048	0.050	0.031	0.041	0.019	0.098	-0.074	0.012	-0.052	0.012	0.125	-0.004
Maturity	(21)	-0.006	-0.003	0.010	0.018	0.001	-0.002	0.017	0.046	0.005	0.078	-0.019	0.023	-0.041	-0.032
Tranche_Maturity	(22)	-0.009	-0.008	0.013	0.024	0.003	-0.001	0.018	0.060	0.008	0.106	-0.029	0.020	-0.038	-0.026
Covenant	(23)	-0.027	-0.039	-0.060	-0.067	-0.013	-0.047	-0.022	-0.107	0.039	-0.050	-0.007	0.008	0.007	-0.006
Performance_priced	(24)	-0.024	-0.031	-0.041	-0.044	-0.014	-0.035	0.019	-0.028	0.015	-0.097	-0.082	0.018	0.143	-0.015
Collaterized	(25)	-0.030	-0.033	-0.048	-0.055	-0.025	-0.036	-0.067	-0.126	0.059	0.027	0.048	-0.018	-0.238	0.002
RelationAmt_Banker_3Y	(26)	-0.037	-0.049	-0.052	-0.054	-0.014	-0.046	-0.002	0.070	0.035	0.042	-0.108	0.003	0.068	0.011
RelationNum_Banker_3Y	(27)	-0.037	-0.048	-0.050	-0.052	-0.015	-0.044	-0.002	0.074	0.033	0.041	-0.108	0.003	0.071	0.012
RelationDum_Banker_3Y	(28)	-0.040	-0.053	-0.054	-0.057	-0.012	-0.047	-0.006	0.073	0.038	0.058	-0.115	0.003	0.067	0.009

Variable		(15)	(16)	(17)	(18)	(19)	(20)	(21)	(22)	(23)	(24)	(25)	(26)	(27)	(28)
R&D	(15)	1.000													
Dividend	(16)	-0.013	1.000												
Loan_Spread	(17)	0.062	0.085	1.000											
All-in-Drawn-Spread	(18)	0.076	0.112	0.879	1.000										
Loan_Amount	(19)	-0.224	-0.042	-0.363	-0.322	1.000									
Tranche_Amount	(20)	-0.036	-0.005	-0.178	-0.148	0.476	1.000								
Maturity	(21)	-0.111	-0.026	0.081	0.009	0.127	-0.098	1.000							
Tranche_Maturity	(22)	-0.119	-0.024	0.078	0.021	0.179	-0.060	0.942	1.000						
Covenant	(23)	-0.017	0.024	-0.042	-0.048	-0.144	-0.098	-0.008	-0.042	1.000					
Performance_priced	(24)	-0.096	-0.031	-0.269	-0.293	0.137	0.053	0.054	0.002	0.512	1.000				
Collaterized	(25)	0.062	0.063	0.330	0.262	-0.322	-0.156	0.069	0.054	0.377	0.135	1.000			
RelationAmt_Banker_3Y	(26)	-0.075	-0.007	-0.102	-0.094	0.128	0.056	-0.032	-0.024	-0.020	0.043	-0.038	1.000		
RelationNum_Banker_3Y	(27)	-0.074	-0.006	-0.105	-0.096	0.126	0.050	-0.035	-0.028	-0.019	0.042	-0.041	0.991	1.000	
RelationDum_Banker_3Y	(28)	-0.082	0.004	-0.114	-0.102	0.153	0.069	-0.028	-0.016	-0.029	0.043	-0.040	0.944	0.939	1.000

Table 4
Credit spreads and bankers' disaster experience

This table reports the results from estimating Eq. (1), the effect of bankers' disaster experience on the spread they charge on syndicated loans. *Loan_spread* is the log of all-in-drawn interest rate spread over LIBOR. *Major_Disaster_Num* is the log of one plus the number of major disaster events that the banker has experienced from the age of 5 to 15. *Major_Disaster_Exp* takes the value of one if the banker has experienced at least one major disaster event from the age of 5 to 15, and zero otherwise. Standard errors are heteroskedasticity robust and double clustered by banker and firm, *,**, and *** indicate statistical significance at the 10%, 5%, and 1%, respectively.

	(1)	(2)	(3)	(4)	(5)	(6)
VARIABLES	*Loan_Spread*	*Loan_Spread*	*Loan_Spread*	*Loan_Spread*	*Loan_Spread*	*Loan_Spread*
Major_Disaster_Num	0.044***		0.045***			
	(0.015)		(0.015)			
Emergency_Disaster_Num		-0.012	-0.016			
		(0.024)	(0.023)			
Major_Disaster_Exp				0.060***		0.060***
				(0.022)		(0.022)
Emergency_Disaster_Exp					-0.012	-0.013
					(0.019)	(0.019)
Banker_Female	-0.031*	-0.033*	-0.031*	-0.031*	-0.033*	-0.031*
	(0.019)	(0.019)	(0.019)	(0.018)	(0.019)	(0.018)
Banker_Age	0.006	0.006	0.007	0.007	0.006	0.007
	(0.007)	(0.007)	(0.007)	(0.007)	(0.007)	(0.007)
Banker_Age_Square	-0.000	-0.000	-0.000	-0.000	-0.000	-0.000
	(0.000)	(0.000)	(0.000)	(0.000)	(0.000)	(0.000)
Banker_White	0.042	0.037	0.042	0.039	0.037	0.039
	(0.028)	(0.029)	(0.028)	(0.028)	(0.029)	(0.028)
Book_Leverage	0.518***	0.520***	0.518***	0.518***	0.520***	0.518***
	(0.038)	(0.039)	(0.038)	(0.038)	(0.039)	(0.038)
Cash_Asset	-0.135*	-0.138*	-0.136*	-0.135*	-0.138*	-0.136*
	(0.074)	(0.073)	(0.074)	(0.074)	(0.073)	(0.074)
ROA	-0.063***	-0.063***	-0.063***	-0.063***	-0.063***	-0.063***
	(0.009)	(0.009)	(0.009)	(0.009)	(0.009)	(0.009)

Rate	-0.199***	-0.199***	-0.198***	-0.199***	-0.199***	-0.199***
	(0.019)	(0.019)	(0.019)	(0.019)	(0.019)	(0.019)
M2B	-0.000**	-0.000**	-0.000**	-0.000**	-0.000**	-0.000**
	(0.000)	(0.000)	(0.000)	(0.000)	(0.000)	(0.000)
R&D	-0.086	-0.077	-0.085	-0.087	-0.077	-0.086
	(0.172)	(0.172)	(0.172)	(0.171)	(0.172)	(0.171)
Dividend	0.047*	0.047*	0.047*	0.048*	0.047*	0.049*
	(0.026)	(0.026)	(0.026)	(0.026)	(0.026)	(0.026)
Loan_Amount	-0.117***	-0.117***	-0.117***	-0.117***	-0.117***	-0.117***
	(0.007)	(0.007)	(0.007)	(0.007)	(0.007)	(0.007)
Maturity	0.052***	0.052***	0.052***	0.051***	0.052***	0.051***
	(0.015)	(0.015)	(0.015)	(0.015)	(0.015)	(0.015)
Covenant	-0.028	-0.027	-0.028	-0.028	-0.027	-0.028
	(0.021)	(0.021)	(0.021)	(0.021)	(0.021)	(0.021)
Performance_Priced	-0.147***	-0.148***	-0.147***	-0.147***	-0.148***	-0.147***
	(0.019)	(0.019)	(0.019)	(0.019)	(0.019)	(0.019)
Collaterized	0.258***	0.258***	0.258***	0.259***	0.258***	0.259***
	(0.016)	(0.017)	(0.016)	(0.017)	(0.017)	(0.017)
Observations	9,693	9,693	9,693	9,693	9,693	9,693
Adjusted R-squared	0.589	0.588	0.589	0.589	0.588	0.589
Banker Controls	YES	YES	YES	YES	YES	YES
Firm Controls	YES	YES	YES	YES	YES	YES
Loan Controls	YES	YES	YES	YES	YES	YES
Industry FE	YES	YES	YES	YES	YES	YES
Loan Purpose FE	YES	YES	YES	YES	YES	YES
Bank-Year FE	YES	YES	YES	YES	YES	YES
Loan Type FE	YES	YES	YES	YES	YES	YES

Table 5
Other loan terms and bankers' disaster experience

This table reports the results from estimating Eq. (1), the effect of bankers' disaster experience on other loan settings. Panel A reports the effect of bankers' disaster experience on the seetings in loan size and maturity. *Loan_Amount* is the log of the amount ($Million) of each loan facility. *Maturity* is the log of month duration of each loan facility. Panel B reports the effect of bankers' disaster experience on loan covenant settings. *All_Covenant* is the log of one plus the number of all covenants imposed on each loan facility. *Financial_Covenant* is the log of one plus the number of financial covenants imposed on each loan facility. *General_Covenant* is the log of one plus the number of general covenants imposed on each loan facility. Panel C reports the effect of bankers' disaster experience on the probability of loan amendment. *Amend* takes the value of one if the settings of loan facility had been amended after its issuance date, and zero otherwise. *Major_Disaster_Num* is the log of one plus the number of major disaster events that the banker has experienced from the age of 5 to 15. *Major_Disaster_Exp* takes the value of one if the banker has experienced at least one major disaster event from the age of 5 to 15, and zero otherwise. Banker controls include *Banker_Female, Banker_Age, Banker_Age_Square* and *Banker_White*. Firm controls include *Book_Leverage, Cash_Asset, Rate, M2B, R&D* and *Dividend*. Loan controls include *Loan_Spread, Loan_Amount, Maturity, Covenant, Performance_Priced* and *Collaterized*. Standard errors are heteroskedasticity robust and double clustered by banker and firm, *,**, and *** indicate statistical significance at the 10%, 5%, and 1%, respectively.

Panel A: Bankers' disaster experience with loan size and maturity

	(1)	(2)	(3)	(4)
VARIABLES	*Loan_Amount*	*Loan_Amount*	*Maturity*	*Maturity*
Major_Disaster_Num	0.032		-0.013	
	(0.034)		(0.014)	
Emergency_Disaster_Num	0.019		-0.040*	
	(0.061)		(0.023)	
Major_Disaster_Exp		0.056		0.012
		(0.046)		(0.019)
Emergency_Disaster_Exp		0.002		-0.046**
		(0.050)		(0.018)
Observations	9,693	9,693	9,693	9,693
Adjusted R-squared	0.567	0.567	0.282	0.282
Banker Controls	YES	YES	YES	YES
Firm Controls	YES	YES	YES	YES
Loan Controls	YES	YES	YES	YES
Industry FE	YES	YES	YES	YES
Loan Purpose FE	YES	YES	YES	YES
Bank-Year FE	YES	YES	YES	YES
Loan Type FE	YES	YES	YES	YES

Panel B: Bankers' disaster experience and loan covenant settings						
	(1)	(2)	(3)	(4)	(5)	(6)
VARIABLES	*All_Covenant*	*All_Covenant*	*Financial_Covenant*	*Financial_Covenant*	*General_Covenant*	*General_Covenant*
Major_Disaster_Num	0.006		-0.007		0.019	
	(0.011)		(0.008)		(0.014)	
Emergency_Disaster_Num	0.038**		-0.001		0.043*	
	(0.017)		(0.013)		(0.023)	
Major_Disaster_Exp		-0.011		-0.019		0.003
		(0.015)		(0.011)		(0.019)
Emergency_Disaster_Exp		0.029**		-0.003		0.032*
		(0.014)		(0.011)		(0.017)
Observations	9,693	9,693	9,693	9,693	9,693	9,693
Adjusted R-squared	0.822	0.822	0.795	0.795	0.715	0.715
Banker Controls	YES	YES	YES	YES	YES	YES
Firm Controls	YES	YES	YES	YES	YES	YES
Loan Controls	YES	YES	YES	YES	YES	YES
Industry FE	YES	YES	YES	YES	YES	YES
Loan Purpose FE	YES	YES	YES	YES	YES	YES
Bank-Year FE	YES	YES	YES	YES	YES	YES
Loan Type FE	YES	YES	YES	YES	YES	YES

Panel C: Bankers' disaster experience and loan amendment		
	(1)	(2)
VARIABLES	*Amend*	*Amend*
Major_Disaster_Num	0.020*	
	(0.011)	
Emergency_Disaster_Num	-0.014	
	(0.021)	
Major_Disaster_Exp		0.031**
		(0.016)
Emergency_Disaster_Exp		-0.015
		(0.016)
Observations	9,693	9,693
Adjusted R-squared	0.176	0.177
Banker Controls	YES	YES
Firm Controls	YES	YES
Loan Controls	YES	YES
Industry FE	YES	YES
Loan Purpose FE	YES	YES
Bank-Year FE	YES	YES
Loan Type FE	YES	YES

Table 6
Addressing borrower-side effects

This table reports the results from analysis addressing the borrower-side effect. Panel A and Panel B reports the effect of bankers' disaster experience on the banker and borrower matching. Panel C and Panel D reports the combination effect of bankers' early life disaster experience and firm fundamentals on loan pricing. *Major_Disaster_Num* is the log of one plus the number of major disaster events that the banker has experienced from the age of 5 to 15. *Major_Disaster_Exp* takes the value of one if the banker has experienced at least one major disaster event from the age of 5 to 15, and zero otherwise. Banker controls include *Banker_Female, Banker_Age, Banker_Age_Square* and *Banker_White*. Firm controls include *Book_Leverage, Cash_Asset, Rate, M2B, R&D* and *Dividend*. Loan controls include *Loan_Spread, Loan_Amount, Maturity, Covenant, Performance_Priced* and *Collaterized*. Standard errors are heteroskedasticity robust and double clustered by banker and firm, *,**, and *** indicate statistical significance at the 10%, 5%, and 1%, respectively.

Panel A: Banker-borrower matching (Major_Disaster_Num)

	(1)	(2)	(3)	(4)	(5)	(6)	(7)
VARIABLES	*Book_Leverage*	*Cash_Asset*	*ROA*	*Rate*	*M2B*	*R&D*	*Dividend*
Major_Disaster_Num	0.002	-0.001	-0.015	0.005	0.200	0.001	-0.002
	(0.005)	(0.002)	(0.016)	(0.015)	(0.500)	(0.001)	(0.010)
Emergency_Disaster_Num	-0.007	-0.005	-0.007	0.022	-0.295	0.001	0.016
	(0.009)	(0.004)	(0.022)	(0.024)	(0.729)	(0.002)	(0.018)
Observations	9,693	9,693	9,693	9,693	9,693	9,693	9,693
Adjusted R-squared	0.410	0.343	0.286	0.279	-0.004	0.520	0.145
Banker Controls	YES	YES	YES	YES	YES	YES	YES
Firm Controls	YES	YES	YES	YES	YES	YES	YES
Loan Controls	YES	YES	YES	YES	YES	YES	YES
Industry FE	YES	YES	YES	YES	YES	YES	YES
Loan Purpose FE	YES	YES	YES	YES	YES	YES	YES
Bank-Year FE	YES	YES	YES	YES	YES	YES	YES
Loan Type FE	YES	YES	YES	YES	YES	YES	YES

Panel B: The combination effect of firm fundamentals (Major_Disaster_Num)								
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
VARIABLES	*Loan_Spread*	*Loan_Spread*	*Loan_Spread*	*Loan_Spread*	*Loan_Spread*	*Loan_Spread*	*Loan_Spread*	*Loan_Spread*
*Major_Disaster_Num*Book_Leverage*	-0.108**							-0.134**
	(0.054)							(0.056)
*Major_Disaster_Num*Cash_Asset*		-0.098						-0.306**
		(0.107)						(0.128)
*Major_Disaster_Num*ROA*			-0.262***					-0.382***
			(0.060)					(0.075)
*Major_Disaster_Num*Rate*				0.040				0.051*
				(0.031)				(0.029)
*Major_Disaster_Num*M2B*					0.007			0.050***
					(0.010)			(0.012)
*Major_Disaster_Num*R&D*						0.299		-0.219
						(0.203)		(0.267)
*Major_Disaster_Num*Dividend*							0.019	0.038
							(0.037)	(0.039)
Major_Disaster_Num	0.074***	0.053***	0.047***	0.028*	0.033	0.038**	0.042***	0.005
	(0.021)	(0.019)	(0.015)	(0.016)	(0.020)	(0.016)	(0.016)	(0.029)
Observations	9,693	9,693	9,693	9,693	9,693	9,693	9,693	9,693
Adjusted R-squared	0.589	0.589	0.593	0.589	0.589	0.589	0.589	0.595
Banker Controls	YES	YES	YES	YES	YES	YES	YES	YES
Firm Controls	YES	YES	YES	YES	YES	YES	YES	YES
Loan Controls	YES	YES	YES	YES	YES	YES	YES	YES
Industry FE	YES	YES	YES	YES	YES	YES	YES	YES
Loan Purpose FE	YES	YES	YES	YES	YES	YES	YES	YES
Bank-Year FE	YES	YES	YES	YES	YES	YES	YES	YES
Loan Type FE	YES	YES	YES	YES	YES	YES	YES	YES

Panel C: Banker-borrower matching (Major_Disaster_Exp)							
	(1)	(2)	(3)	(4)	(5)	(6)	(7)
VARIABLES	*Book_Leverage*	*Cash_Asset*	*ROA*	*Rate*	*M2B*	*R&D*	*Dividend*
Major_Disaster_Exp	0.004	-0.002	-0.020	0.010	0.748	0.002	-0.019
	(0.007)	(0.003)	(0.021)	(0.021)	(0.897)	(0.001)	(0.015)
Emergency_Disaster_Exp	-0.008	-0.005	-0.002	0.008	-0.366	0.001	0.008
	(0.007)	(0.003)	(0.017)	(0.018)	(0.632)	(0.002)	(0.013)
Observations	9,693	9,693	9,693	9,693	9,693	9,693	9,693
Adjusted R-squared	0.410	0.343	0.286	0.279	-0.004	0.520	0.145
Banker Controls	YES	YES	YES	YES	YES	YES	YES
Firm Controls	YES	YES	YES	YES	YES	YES	YES
Loan Controls	YES	YES	YES	YES	YES	YES	YES
Industry FE	YES	YES	YES	YES	YES	YES	YES
Loan Purpose FE	YES	YES	YES	YES	YES	YES	YES
Bank-Year FE	YES	YES	YES	YES	YES	YES	YES
Loan Type FE	YES	YES	YES	YES	YES	YES	YES

Panel D: The combination effect of firm fundamentals (Major_Disaster_Exp)								
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
VARIABLES	*Loan_Spread*	*Loan_Spread*	*Loan_Spread*	*Loan_Spread*	*Loan_Spread*	*Loan_Spread*	*Loan_Spread*	*Loan_Spread*
*Major_Disaster_Exp*Book_Leverage*	-0.182**							-0.188**
	(0.075)							(0.076)
*Major_Disaster_Exp*Cash_Asset*		-0.098						-0.401**
		(0.163)						(0.191)
*Major_Disaster_Exp*ROA*			-0.336***					-0.542***
			(0.075)					(0.088)

*Major_Disaster_Exp*Rate*				0.026				0.038
				(0.045)				(0.042)
*Major_Disaster_Exp*M2B*					0.012			0.085***
					(0.012)			(0.018)
*Major_Disaster_Exp*R&D*						0.330		-0.455
						(0.347)		(0.421)
*Major_Disaster_Exp*Dividend*							-0.004	0.019
							(0.052)	(0.054)
Major_Disaster_Exp	0.110***	0.068**	0.065***	0.049**	0.039	0.054**	0.060***	-0.006
	(0.030)	(0.028)	(0.022)	(0.023)	(0.026)	(0.023)	(0.023)	(0.043)
Observations	9,693	9,693	9,693	9,693	9,693	9,693	9,693	9,693
Adjusted R-squared	0.590	0.589	0.593	0.589	0.589	0.589	0.589	0.597
Banker Controls	YES	YES	YES	YES	YES	YES	YES	YES
Firm Controls	YES	YES	YES	YES	YES	YES	YES	YES
Loan Controls	YES	YES	YES	YES	YES	YES	YES	YES
Industry FE	YES	YES	YES	YES	YES	YES	YES	YES
Loan purpose FE	YES	YES	YES	YES	YES	YES	YES	YES
Bank_Year FE	YES	YES	YES	YES	YES	YES	YES	YES
Loan type FE	YES	YES	YES	YES	YES	YES	YES	YES

Table 7
Addressing banker age growth effect

This table reports the results from estimating long-lasting effect of bankers' early life disaster experience on the spread they charge on syndicated loans. *Loan_spread* is the log of all-in-drawn interest rate spread over LIBOR. Age50 takes the value of one if the age of specific banker is equal to or large than 50 at the loan issuance date, and zero otherwise. *Major_Disaster_Num* is the log of one plus the number of major disaster events that the banker have experienced from the age of 5 to 15. *Major_Disaster_Exp* takes the value of one if the banker has experienced at least one major disaster event from the age of 5 to 15, and zero otherwise. Banker controls include *Banker_Female, Banker_Age,Banker_Age_square* and *Banker_White*. Firm controls include *Book_Leverage, Cash_Asset, Rate, M2B, R&D* and *Dividend*. Loan controls include *Loan_Amount, Maturity, Covenant, Performance_Priced* and *Collaterized*. Standard errors are heteroskedasticity robust and double clustered by banker and firm, *,**, and *** indicate statistical significance at the 10%, 5%, and 1%, respectively.

VARIABLES	*Loan_Spread*	*Loan_Spread*
	(1)	(2)
*Major_Disaster_Num*Age50*	-0.054*	
	(0.031)	
Major_Disaster_Num	0.049***	
	(0.015)	
*Major_Disaster_Exp*Age50*		-0.028
		(0.039)
Major_Disaster_Exp		0.061***
		(0.023)
Age50	0.027	-0.002
	(0.032)	(0.033)
Emergency_Disaster_Num	-0.001	
	(0.021)	
Emergency_Disaster_Exp		-0.002
		(0.017)
Observations	9,693	9,693
Adjusted R-squared	0.574	0.573
Banker Controls	YES	YES
Firm Controls	YES	YES
Loan Controls	YES	YES
Industry FE	YES	YES
Loan Purpose FE	YES	YES
Bank-Year FE	YES	YES
Loan Type FE	YES	YES

Table 8
Addressing the lending relationship effect

This table reports the results from estimating the combination effect of bankers' early life disaster experience and banker-borrower lending relationship on the spread they charge on syndicated loans. *Loan_Spread* is the log of all-in-drawn interest rate spread over LIBOR. *RelationAmt_Banker_3Y* is the percentage value of the total amount of loan the banker has issued to the firm divided by the total amount of loan the borrwer has borrowed in the past 3 year. *RelationNum_Banker_3Y* is the percentage value of the total number of loans the banker has issued to the firm divided by the total number of loans the borrwer has borrowed in the past 3 year. *RelationDum_Banker_3Y* takes the value of one if the banker has issued at least one loan facility to the firm in the past 3 years, and zero otherwise. *Major_Disaster_Num* is the log of one plus the number of major disaster events that the banker have experienced from the age of 5 to 15. *Major_Disaster_Exp* takes the value of one if the banker has experienced at least one major disaster event from the age of 5 to 15, and zero otherwise. Banker controls include *Banker_Female, Banker_Age,Banker_Age_Square* and *Banker_White*. Firm controls include *Book_Leverage, Cash_Asset, Rate, M2B, R&D* and *Dividend*. Loan controls include *Loan_Amount, Maturity, Covenant, Performance_Priced* and *Collaterized*. Standard errors are heteroskedasticity robust and double clustered by banker and firm, *,**, and *** indicate statistical significance at the 10%, 5%, and 1%, respectively.

	(1)	(2)	(3)	(4)	(5)	(6)
VARIABLES	*Loan_Spread*	*Loan_Spread*	*Loan_Spread*	*Loan_Spread*	*Loan_Spread*	*Loan_Spread*
*RelationAmt_Banker_3Y*Major_Disaster_Num*	0.059*					
	(0.033)					
RelationAmt_Banker_3Y	-0.058*			-0.076**		
	(0.034)			(0.038)		
*RelationNum_Banker_3Y*Major_Disaster_Num*		0.067**				
		(0.033)				
RelationNum_Banker_3Y		-0.070**			-0.086**	
		(0.036)			(0.040)	
*RelationDum_Banker_3Y*Major_Disaster_Num*			0.068**			
			(0.032)			
RelationDum_Banker_3Y			-0.061*			-0.075**
			(0.032)			(0.035)

*RelationAmt_Banker_3Y*Major_Disaster_Exp*				0.089**		
				(0.042)		
*RelationNum_Banker_3Y*Major_Disaster_Exp*					0.095**	
					(0.044)	
*RelationDum_Banker_3Y*Major_Disaster_Exp*						0.092**
						(0.039)
Major_Disaster_Num	0.034**	0.033**	0.030**			
	(0.014)	(0.014)	(0.014)			
Major_Disaster_Exp				0.042**	0.041**	0.039*
				(0.020)	(0.020)	(0.020)
Observations	9,693	9,693	9,693	9,693	9,693	9,693
Adjusted R-squared	0.589	0.589	0.590	0.589	0.589	0.589
Banker Controls	YES	YES	YES	YES	YES	YES
Firm Controls	YES	YES	YES	YES	YES	YES
Loan Controls	YES	YES	YES	YES	YES	YES
Industry FE	YES	YES	YES	YES	YES	YES
Loan Purpose FE	YES	YES	YES	YES	YES	YES
Bank-Year FE	YES	YES	YES	YES	YES	YES
Loan Type FE	YES	YES	YES	YES	YES	YES

Table 9
Addressing the effect of firm climate risk exposure

This table reports the results from estimating the combination effect of bankers' early life disaster experience and banker-borrower lending relationship on the spread they charge on syndicated loans. *Loan_spread* is the log of all-in-drawn interest rate spread over LIBOR. *Op_Risk_Exp* is the log of one plus the percentage of words mentioning the opportunity risk related to climate change in the conference calls of the firm. *Ph_Risk_Exp* is the log of one plus the percentage of words mentioning the physical risk related to climate change in the conference calls of the firm. *Major_Disaster_Num* is the log of one plus the number of major disaster events that the banker have experienced from the age of 5 to 15. *Major_Disaster_Exp* takes the value of one if the banker has experienced at least one major disaster event from the age of 5 to 15, and zero otherwise. Banker controls include *Banker_Female, Banker_Age,Banker_Age_Square* and *Banker_White*. Firm controls include *Book_Leverage, Cash_Asset, Rate, M2B, R&D* and *Dividend*. Loan controls include *Loan_Amount, Maturity, Covenant, Performance_Priced* and *Collaterized*. Standard errors are heteroskedasticity robust and double clustered by banker and firm, *,**, and *** indicate statistical significance at the 10%, 5%, and 1%, respectively.

	(1)	(2)	(3)	(4)
VARIABLES	*Loan_Spread*	*Loan_Spread*	*Loan_Spread*	*Loan_Spread*
*Op_Risk_Exp*Major_Disaster_Num*	0.061**			
	(0.028)			
*Op_Risk_Exp*Major_Disaster_Exp*		0.099**		
		(0.045)		
*Ph_Risk_Exp*Major_Disaster_Num*			0.163*	
			(0.093)	
*Ph_Risk_Exp*Major_Disaster_Exp*				0.323***
				(0.091)
Op_Risk_Exp	-0.058	-0.077*		
	(0.037)	(0.042)		
Ph_Risk_Exp			-0.042	-0.204**
			(0.072)	(0.086)
Major_Disaster_Num	0.027*		0.027	
	(0.016)		(0.016)	
Emergency_Disaster_Num	0.013		0.009	
	(0.024)		(0.025)	
Major_Disaster_Exp		0.043*		0.048**
		(0.024)		(0.024)
Emergency_Disaster_Exp		0.004		0.005
		(0.019)		(0.020)
Observations	7,272	7,272	7,243	7,243
Adjusted R-squared	0.599	0.599	0.617	0.618
Banker Controls	YES	YES	YES	YES
Firm Controls	YES	YES	YES	YES
Loan Controls	YES	YES	YES	YES
Industry FE	YES	YES	YES	YES
Loan Purpose FE	YES	YES	YES	YES
Bank-Year FE	YES	YES	YES	YES
Loan Type FE	YES	YES	YES	YES

Table 10
Additional robustness check

This table reports the results from robustness checks on the effect of bankers' disaster experience on the spread they charge on syndicated loans. Panel A reports the analysis results after excluding loan facilities with multiply lead bankers or bank instituitions. Panel B reports the results of adding controls of Banker-State-Year_FE and Borrower-State-Year FE. *Loan_Spread* is the log of all-in-drawn interest rate spread over LIBOR. *Major_Disaster_Num* is the log of one plus the number of major disaster events that the banker have experienced from the age of 5 to 15. *Major_Disaster_Exp* takes the value of one if the banker has experienced at least one major disaster event from the age of 5 to 15, and zero otherwise. Banker controls include *Banker_Female, Banker_Age,Banker_Age_Square* and *Banker_White*. Firm controls include *Book_Leverage, Cash_Asset, Rate, M2B, R&D* and *Dividend*. Loan controls include *Loan_Amount, Maturity, Covenant, Performance_Priced* and *Collaterized*. Standard errors are heteroskedasticity robust and double clustered by banker and firm, *,**, and *** indicate statistical significance at the 10%, 5%, and 1%, respectively.

Panel A: Excluding multiply banker or bank institution cases						
	(1)	(2)	(3)	(4)	(5)	(6)
VARIABLES	*Loan_Spread*	*Loan_Spread*	*Loan_Spread*	*Loan_Spread*	*Loan_Spread*	*Loan_Spread*
Major_Disaster_Num	0.039**		0.039**			
	(0.015)		(0.015)			
Emergency_Disaster_Num		-0.006	-0.009			
		(0.024)	(0.024)			
Major_Disaster_Exp				0.050**		0.050**
				(0.023)		(0.023)
Emergency_Disaster_Exp					-0.010	-0.011
					(0.019)	(0.019)
Observations	8,939	8,939	8,939	8,939	8,939	8,939
Adjusted R-squared	0.593	0.592	0.593	0.593	0.592	0.593
Banker Controls	YES	YES	YES	YES	YES	YES
Firm Controls	YES	YES	YES	YES	YES	YES
Loan Controls	YES	YES	YES	YES	YES	YES
Industry FE	YES	YES	YES	YES	YES	YES
Loan Purpose FE	YES	YES	YES	YES	YES	YES
Bank-Year FE	YES	YES	YES	YES	YES	YES
Loan Type FE	YES	YES	YES	YES	YES	YES

Panel B: Controlling Banker-State-Year FE and Borrower-State-Year FE						
	(1)	(2)	(3)	(4)	(5)	(6)
VARIABLES	*Loan_Spread*	*Loan_Spread*	*Loan_Spread*	*Loan_Spread*	*Loan_Spread*	*Loan_Spread*
Major_Disaster_Num	0.036**		0.034*			
	(0.017)		(0.017)			
Emergency_Disaster_Num		0.041*	0.037			
		(0.025)	(0.024)			
Major_Disaster_Exp				0.054**		0.053**
				(0.024)		(0.024)
Emergency_Disaster_Exp					0.026	0.025
					(0.020)	(0.019)
Observations	8,726	8,726	8,726	8,726	8,726	8,726
Adjusted R-squared	0.625	0.625	0.625	0.625	0.625	0.626
Banker Controls	YES	YES	YES	YES	YES	YES
Firm Controls	YES	YES	YES	YES	YES	YES
Loan Controls	YES	YES	YES	YES	YES	YES
Industry FE	YES	YES	YES	YES	YES	YES
Loan Purpose FE	YES	YES	YES	YES	YES	YES
Bank-Year FE	YES	YES	YES	YES	YES	YES
Loan Type FE	YES	YES	YES	YES	YES	YES
Banker-State-Year FE	YES	YES	YES	YES	YES	YES
Borrower-State-Year FE	YES	YES	YES	YES	YES	YES

Panel C: Controlling Banker-Birth-State FE and Banker-Birth-Year FE						
	(1)	(2)	(3)	(4)	(5)	(6)
VARIABLES	*Loan Spread*	*Loan Spread*	*Loan Spread*	*Loan Spread*	*Loan Spread*	*Loan Spread*
Major_Disaster_Num	0.039***		0.039***			
	(0.02)		(0.02)			
Emergency_Disaster_Num		0.049*	0.048*			
		(0.03)	(0.03)			
Major_Disaster_Exp				0.039*		0.038*
				(0.02)		(0.021)
Emergency_Disaster_Exp					0.034	0.033
					(0.02)	(0.02)
Observations	8712	8712	8712	8712	8712	8712
Adjusted R-squared	0.598	0.598	0.598	0.598	0.598	0.598
Banker Controls	YES	YES	YES	YES	YES	YES
Firm Controls	YES	YES	YES	YES	YES	YES
Loan Controls	YES	YES	YES	YES	YES	YES
Industry FE	YES	YES	YES	YES	YES	YES
Loan Purpose FE	YES	YES	YES	YES	YES	YES
Bank-Year FE	YES	YES	YES	YES	YES	YES
Loan Type FE	YES	YES	YES	YES	YES	YES
Banker-State-Year FE	YES	YES	YES	YES	YES	YES
Borrower-State-Year FE	YES	YES	YES	YES	YES	YES
Birth-State FE	YES	YES	YES	YES	YES	YES
Birth-Year FE	YES	YES	YES	YES	YES	YES

Table 11
PSM test results

This table reports the results from effect of bankers' disaster experience on the spread they charge on syndicated loans bases on propensity score matching (PSM). Panel A reports the PSM match results. Panel B reports the PSM regression results. *Loan_Spread* is the log of all-in-drawn interest rate spread over LIBOR. *Major_Disaster_Num* is the log of one plus the number of major disaster events that the banker has experienced from the age of 5 to 15. *Major_Disaster_Exp* takes the value of one if the banker has experienced at least one major disaster event from the age of 5 to 15, and zero otherwise. Banker controls include *Banker_Female, Banker_Age,Banker_Age_Square* and *Banker_White*. Firm controls include *Book_Leverage, Cash_Asset, Rate, M2B, R&D* and *Dividend*. Loan controls include *Loan_Amount, Maturity, Covenant, Performance_Priced* and *Collaterized*. Standard errors are heteroskedasticity robust and double clustered by banker and firm, *,**, and *** indicate statistical significance at the 10%, 5%, and 1%, respectively.

Panel A: PSM match results

Variables	Treated	Control	Difference	t-statistics
BookLeverage	0.285	0.281	1.800	0.97
Cash_Asset	0.089	0.091	-1.000	-0.52
ROA	0.012	0.010	0.300	0.85
Rate	0.410	0.419	-1.800	-0.92
M2B	1.765	1.745	0.000	0.9
R&D	0.021	0.021	-0.300	-0.18
Dividend	0.105	0.099	1.900	0.99

Panel B: PSM regression results

	(1)	(2)
VARIABLES	*Loan_Spread*	*Loan_Spread*
Major_Disaster_High	0.050***	0.051***
	(0.016)	(0.016)
Emergency_Disaster_Exp		-0.016
		(0.018)
Observations	9,693	9,693
Adjusted R-squared	0.589	0.589
Banker Controls	YES	YES
Firm Controls	YES	YES
Loan Controls	YES	YES
Industry FE	YES	YES
Loan Purpose FE	YES	YES
Bank-Year FE	YES	YES
Loan Type FE	YES	YES

Appendix A
Variable definitions.

Variable	Definition	Source
Major_Disaster_Num	The logarithm value of one plus the number of major disaster events that the banker has experienced from the age of 5 to 15 in birthplace.	Linkin, Ancestry.com, SHELDUS
Major_Disaster (Number)	The number of major disaster events that the banker has experienced from the age of 5 to 15 in birthplace.	Linkin, Ancestry.com, SHELDUS
Emergency_Disaster_Num	The logarithm value of one plus the number of emergency disaster events that the banker has experienced from the age of 5 to 15 in birthplace.	Linkin, Ancestry.com, SHELDUS
Emergency_Disaster (Number)	The number of emergency disaster events that the banker has experienced from the age of 5 to 15 in birthplace.	Linkin, Ancestry.com, SHELDUS
Major_Disaster_Exp	A dummy takes the value of one if the banker has experienced at least one major disaster event from the age of 5 to 15 in the birthplace, and zero otherwise.	Linkin, Ancestry.com, SHELDUS
Emergency_Disaster_Exp	A dummy takes the value of one if the banker has experienced at least one emergency disaster event from the age of 5 to 15 in the birthplace, and zero otherwise.	Linkin, Ancestry.com, SHELDUS
Disaster_High	A dummy takes the value of one if the number of major disasters a banker had experienced from the age of 5 to 15 is higher than the median value of all bankers in the sample, and zero otherwise.	Linkin, Ancestry.com, SHELDUS
Banker_Female	A dummy takes the value of one if the banker's sex is female, and zero otherwise.	Linkin, Ancestry.com
Banker_Age	The age number of the banker at the loan issuance date.	Linkin, Ancestry.com
Banker_Age_Square	The square value of Banker_Age.	Linkin, Ancestry.com
Age50	A dummy takes the value of one if the banker's age is equal to or larger than 50 at the loan issuance date, and zero otherwise.	Dealscan, Linkin, Ancestry.com
Banker_White	A dummy takes the value of one if the banker's race is white, and zero otherwise.	Linkin, Ancestry.com
Book_Leverage	The book value of long-term liabilities divided by the total assets of the firm in one fiscal year before the loan issuance date.	Compustat
Cash_Asset	The amount of cash and cash equivalents divided by the total assets of the firm in one fiscal year before the loan issuance date.	Compustat

Variable	Definition	Source
ROA	The number of net profits divided by the total assets of the firm in one fiscal year before the loan issuance date.	Compustat
Rate	A dummy takes the value of one if the credit score of the firm is equal to and greater than investment grade (BBB) in one fiscal year before the loan issuance date, and zero otherwise.	Compustat
M2B	The market value of the firm divided by its book value in one fiscal year before the loan issuance date	Compustat
R&D	The amount of research and development expenditure divided by the total assets of the firm in one fiscal year before the loan issuance date	Compustat
Dividend	A dummy takes the value of one if the firm had paid out dividends in one fiscal year before the loan issuance date, and zero otherwise.	Compustat
Loan_Spread	The logarithm value of the loan interest spread over LIBOR.	Dealscan
All-in-Drawn-Spread	The loan interest spread over LIBOR of each loan tranche	Dealscan
Loan_Amount	The logarithm value of the size ($ Million) in each loan tranche.	Dealscan
Tranche_Amount	The size ($ Million) of each loan tranche.	Dealscan
Maturity	The logarithm value of the duration months in each loan tranche.	Dealscan
Tranche_Maturity	The duration (months) of each loan tranche	Dealscan
Covenant	A dummy takes the value of one if the any covenant settings are imposed on one loan facility, and zero otherwise.	Dealscan
Performance_priced	A dummy takes the value of one if the pricing of the loan facility is based on the borrowing firm's dynamic performance, and zero otherwise.	Dealscan
Collaterized	A dummy takes the value of one if the payment of the loan facility is collaterized by the assets of the firm, and zero otherwise.	Dealscan
Amend	A dummy takes the value of one if the settings of loan facility has been amended after its issuance date, and zero otherwise.	Dealscan
All_Covenant	The logarithm value of one plus the number of covenants imposed on the loan facility.	Dealscan
Financial_Covenant	The logarithm value of one plus the number of financial covenants imposed on the loan facility.	Dealscan
General_Covenant	The logarithm value of one plus the number of general covenants imposed on the loan facility.	Dealscan

Variable	Definition	Source
RelationAmt_Banker_3Y	The total amount of loan facilities one banker had issued to the firm divided the total amount of loan facilities the firms had borrowed in the past 3 years.	Dealscan, SEC filings (8K, 10Q, 10K)
RelationNum_Banker_3Y	The total number of loan facilities one banker had issued to the firm divided the total number of loan facilities the firms had borrowed in the past 3 years.	Dealscan, SEC filings (8K, 10Q, 10K)
RelationDum_Banker_3Y	A dummy takes the value of one if one banker had issued at least one loan facility to the firm in the past 3 years, and zero otherwise.	Dealscan, SEC filings (8K, 10Q, 10K)
Op_Risk_Exp	The logarithm value of one plus the number of words mentioning opportunity risk relating to climate changes recorded by the conference calls of the firm.	Compustat, Sautner et al. (2023)
Ph_Risk_Exp	The logarithm value of one plus the number of words mentioning physical risk relating to climate changes recorded by the conference calls of the firm.	Compustat, Sautner et al. (2023)