

You should always explain your data sources (and final sample) in your empirical part. This table will help you to identify the variables' definitions and data sources.

Variable	Definition	Source
Gvkey, ticker, cusip, cik	BorrowerID	COMPUSTAT
fyear	Fiscal year	COMPUSTAT
fyr	Fiscal year-end month	COMPUSTAT
datadate	Calender date	COMPUSTAT
Industry	Industry code – first digit SIC	COMPUSTAT
Zscore	Altman Z-score which measures company's likelihood of bankruptcy. The higher the score the safer the company	COMPUSTAT
Total_assets	Borrower's total assets	COMPUSTAT
coverage	The EBITDA-to-interest coverage ratio. Used to assess a company's financial durability by examining whether it is at least profitable enough to pay off its interest expenses using its pre-tax income.	COMPUSTAT
leverage	Total debt divided by total assets	COMPUSTAT
Profitability	Ebitda to sale ratio	COMPUSTAT
Tangibility	Net property plant and equipment to total assets	COMPUSTAT
Current_ratio	Current assets to current liabilities ratio	COMPUSTAT
Mtb	Market value of assets over book value of assets.	COMPUSTAT
BigN	Indicator variable that equals 1 if the incumbent auditor of a borrower for the fiscal year immediately before the initiation of the syndicated loan is one of the Big 4 (or previously Big 5 or Big 6 ) auditors, which include Arthur Andersen, Coopers & Lybrand, Ernst & Young, Deloitte & Touche, KPMG, and PricewaterhouseCoopers (PriceWaterhouse prior to July 1, 1998), and 0 otherwise	COMPUSTAT
MAO	An indicator variable is equal to 1 if the firm receives an opinion from the auditor that is not unqualified, and zero otherwise.  A qualified opinion is issued by the auditor when a company's financial reports have not followed GAAP.	COMPUSTAT
ModGC	Auditor going concern opinion	COMPUSTAT
Total_restatements	Count of cases in which any of the firm's financial results were subsequently restated.	AuditAnalytics
Total_serious_restatements	Count of cases in which any of the firm's financial results were subsequently restated (due to fraud, misrepresentation or an investigation by the SEC)	AuditAnalytics
Credit rating score	S&P Domestic Long-Term Issuer Credit Rating. Takes values 1 to 7 as follows:	COMPUSTAT

	AAA = 7 AA+,AA=6 A+,A,A-=5 BBB+,BBB,BBB-=4 BB+,BB,BB-=3 B+,B,B-=2 CCC+, CCC,C, D= 1	
Investment grade	An indicator that takes 1 for borrowers with investment grade rating, zero otherwise.	COMPUSTAT
ma_score_2016	Managerial efficiency scores	Demerjian et al. (2012)
ma_score_2016_rank	The decile rank (by industry and year) of the MA-Score, which is managerial efficiency scores	Demerjian et al. (2012)
Patent count	Counts of borrower's patents.	<a href="#">DataConstructionDetails_v01.pdf (virginia.edu)</a>
FacilityID	Unique Reuters system-generated identifier for a facility/tranche.	Dealscan
FacilityStartDate	The date on which the facility was issued (closed).	Dealscan
FacilityEndDate	The maturity date for the facility.	Dealscan
FacilityAmt	The actual amount of the facility committed by the lenders.	Dealscan
LoanType	Type of facility.	Dealscan
PrimaryPurpose	Primary purpose of the facility.	Dealscan
allindrawn	spread - a measure of loan pricing in basis points - 100 basis points is equal to 1%	Dealscan
Term	A dummy that takes one of the loan is a term loan, and zero otherwise.	Dealscan
Credit_line	A dummy that takes one of the loan is a revolver, and zero otherwise.	Dealscan
numcov1	The number of financial covenants included in the loan agreement.	Dealscan
Maturity	A calculation of how long (in months) the facility will be active from signing date to expiration date.	Dealscan
num_lenders	The number of lenders in the loan syndicate.	Dealscan
num_participants	The number of participants (excluding lead lenders) in the loan syndicate.	Dealscan
meanshare	The fraction of the loan held by the lead arranger	Dealscan
P_covenants	performance covenants are often set as "tripwires" that transfer control rights temporarily to the debtholders	Dealscan
C_covenants	capital covenants impose direct restrictions on a firm's capital structure.	Dealscan
Covenant_lite	An indicator for loans that impose fewer restrictions on the borrower and provide less protection for the lender compared to traditional loans. Such loans typically have fewer financial covenants, which can make them riskier investments for lenders.	Dealscan
Green_loan	An indicator for green loans that are specifically designated for funding projects that have positive environmental impacts or contribute to environmental sustainability.	Dealscan

	Examples include projects related to renewable energy, pollution reduction, green buildings, and sustainable water management.	
ESG	A loan that is specifically linked to a borrower's performance against predefined Environmental, Social, and Governance (ESG) criteria. It typically features financial incentives for the borrower to meet certain ESG targets, such as reduced interest rates or more favorable loan terms upon achieving these goals. The design of ESG loans is to encourage and support borrowers in making positive impacts on environmental and social issues, while also maintaining strong governance practices	Dealscan
Toal_esg_score	This is a composite score derived from the detailed analysis of a borrower's environmental, social, and governance performance. Higher scores indicate better adherence to best practices in ESG policies and procedures and lower overall risk from ESG-related issues.	Sustainlytics
Governance_score	This score evaluates aspects of a borrower's internal practices, policies, and procedures as they relate to governance. This includes board quality, audit committee effectiveness, bribery and corruption policies, and other factors that impact the company's governance and ethical standards.	Sustainlytics
Social_score	The social score assesses a borrower's management of relationships with employees, suppliers, customers, and the communities where it operates. It includes considerations like company's labor standards, health and safety practices, human rights policies, and how it handles its social impact.	Sustainlytics
Environment_score	This score is focused on how a borrower's policies and practices mitigate environmental risks and capitalize on environmental opportunities. It includes energy use, waste management, pollution, treatment of biodiversity, and the company's overall impact on the environment.	Sustainlytics
Contract_year	Contract Year	
REL(Dummy)	is a binary variable that indicates the presence of a prior lending relationship between a lender and a borrower within a specified look-back period, typically five years. It is set to 1 if the lender has previously extended credit to the borrower within this timeframe, otherwise, it is 0. This measure captures the existence of any lending relationship, regardless of the	Dealscan – following et al (2011)

	amount or number of transactions.	
REL(Amount)	quantifies the strength of the lending relationship based on the financial volume of transactions. It is calculated as the ratio of the total loan amount provided by a specific lender to a borrower in the past five years to the total amount borrowed by that borrower from all sources in the same period. This measure reflects the financial dependence or preference of the borrower for this particular lender, with higher values indicating a stronger financial relationship.	Dealscan – following et al (2011)
REL(Number)	measures the strength of the lending relationship based on the frequency of transactions. It is defined as the ratio of the number of loans provided by a particular lender to a borrower in the past five years to the total number of loans taken by the borrower from all lenders during the same period. This variable assesses the relational engagement, with higher values suggesting a more frequent interaction or a stronger reliance on the lender for financial needs.	Dealscan – following et al (2011)

Example of data description:

We construct our sample by collecting financial data from Compustat, loan data from DealScan and corporate misreporting data from the financial restatements collected by AuditAnalytics. The sample is restricted to restatements that are classified by AuditAnalytics as relating to fraud, misrepresentation or an investigation by the SEC (Armstrong et al. 2013). After merging Compustat, Dealscan and Audit analytics, our final sample consisted of xxxxx unique companies and xxxxx loans with non-missing data from 1996 to 2017.

*Note: mention if you (1) exclude financial companies, and/or (2) you winsorize outliers (e.g. All continues variables are winsorized at the 1st and 99th percentiles)*

Armstrong, C., Larcker, D., Ormazabal, G. and Taylor, D. 2013. The relation between equity incentives and misreporting: The role of risk-taking incentives, *Journal of Financial Economics*, 109(2), 327-350.

Coles, J. L., N. D. Daniel, and L. Naveen, 2014, Co-opted Boards, *Review of Financial Studies* 27, 1751–1796.

Demerjian, P., B. Lev, and S. McVay. 2012. Quantifying Managerial Ability: A New Measure and Validity Tests. *Management Science* 58(7): 1229-1248.