

Internet Appendix

For

**“CEO Overconfidence and Financial Crisis:
Evidence from Bank Lending and Leverage”**

This Internet Appendix describes a supplementary table and figure:

Table IA1: Correlation coefficient matrix of the variables

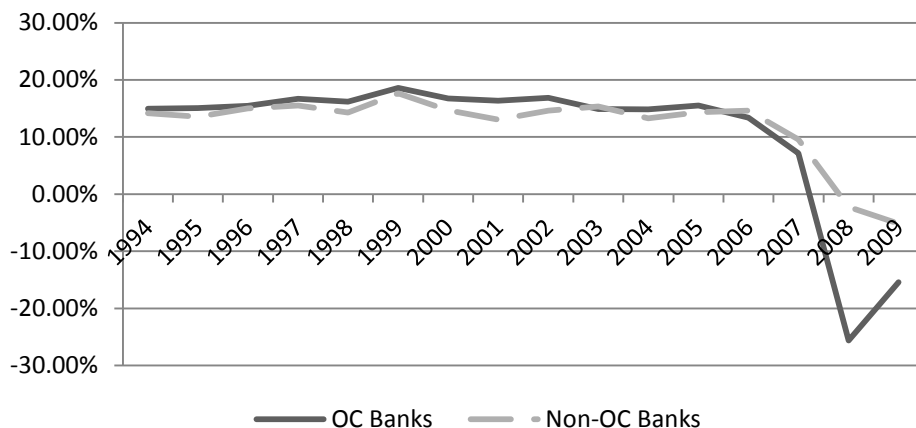
Figure IA1: Trends in the annual rate of ROE, ROA, and book leverage

Table IA1: Correlation coefficient matrix of variables

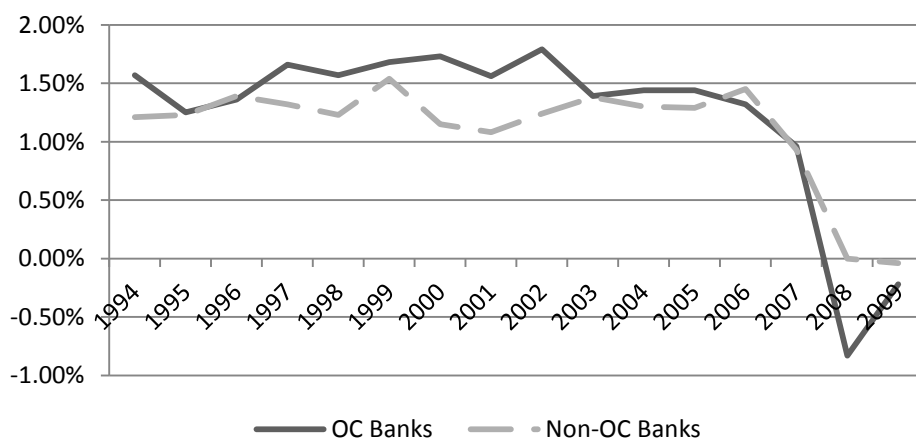
This table presents the Pearson correlation coefficient matrix of the variables in the non-crisis period. Over 1994–2009, we define 1998 and 2007–2009 as crisis years and others as non-crisis years. Superscripts *, ** and *** denote significance at the 10%, 5%, and 1% level, respectively.

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)
(1) <i>OC</i>	1.000											
(2) Δ <i>Loans</i>	0.140***	1.000										
(3) Δ <i>Real Estate Loans</i>	0.100***	0.255***	1.000									
(4) Δ <i>Book Leverage</i>	0.061**	0.055	-0.036	1.000								
(5) Δ <i>Market Leverage</i>	0.060*	-0.024	0.009	0.412***	1.000							
(6) Δ <i>Regulatory Leverage</i>	0.057*	0.237***	0.057	0.357***	0.159***	1.000						
(7) <i>Assets</i>	-0.128***	-0.119***	-0.018	-0.028	0.009	-0.073**	1.000					
(8) <i>Book Leverage</i>	-0.034	0.028	-0.097***	-0.098***	-0.094***	-0.111***	0.439***	1.000				
(9) <i>ROA</i>	0.083***	0.027	0.146***	0.116***	-0.051	0.075**	-0.278***	-0.329***	1.000			
(10) <i>LOANDEP</i>	0.064*	0.073**	0.037	-0.006	0.044	-0.036	0.029	-0.132***	0.056*	1.000		
(11) <i>Tier 1</i>	-0.028	0.067**	0.103***	0.080**	-0.004	0.276***	-0.371***	-0.305***	0.282***	-0.370***	1.000	
(12) <i>CEO Age</i>	0.088***	-0.053	0.090**	-0.041	0.001	-0.089**	0.136***	0.046	0.010	0.037	0.044	1.000

Panel A: ROE



Panel B: ROA



Panel C: Book Leverage

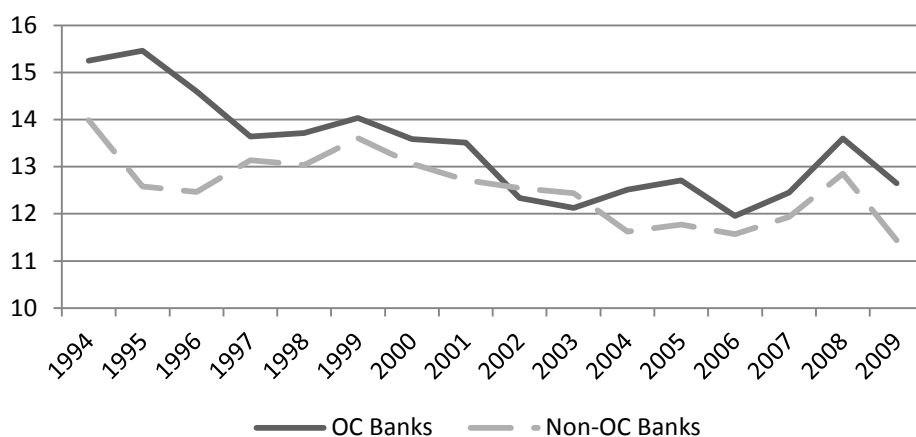


Figure IA1: Trends in the annual rate of ROE, ROA, and book leverage

This figure presents the mean of the return on assets (ROA), return on equity (ROE), and book leverage from 1994 through 2009. OC (Non-OC) banks have CEOs classified as overconfident (non-overconfident). The numbers reported in this figure are calculated using weights of bank size.