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Corporate finance and governance in firms with limited liability: Basic characteristics

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Abstract

We analyze a wide range of corporate finance and governance characteristics in all active Norwegian firms with limited liability over the period 1994-2005. This sample includes about 77,000 nonlisted (private) firms and 135 listed (public) firms per year. Nonlisted firms have barely been addressed in the finance literature, despite our finding that they employ four times more people than listed firms, have about four times higher revenues, hold twice as much assets, and constitute over 99% of the enterprises. Indirect evidence suggests that this is also the typical situation worldwide. The unexplored nature of nonlisted firms makes us address a large set of characteristics, and to focus more on describing overall patterns in the data rather than making elaborate tests of behavioral hypotheses.

We find that the size distribution of firms in the economy is close to lognormal, which is consistent with independence between size and growth for the individual firm. Most nonlisted firms are small, but there are still many more large firms in the economy that are nonlisted as opposed to listed. Nonlisted firms have more liquid assets, invest less, but still grow like listed firms of comparable size, possibly because capital constraints cause underinvestment and hence higher marginal returns. Their debt is considerably higher and has shorter duration, which may be due to stronger information asymmetry between borrowers and lenders or to asset-liability matching. Nonlisted firms distribute much more of their earnings once they pay dividends. This may reflect that their owners value dividends more highly due to high transaction costs of selling illiquid stock, and that strong owners of nonlisted firms pay high dividends to reduce expropriation threats to weak owners.

Ownership concentration is much higher in nonlisted firms, particularly when persons control them. Concentration decreases with firm size, but is still very high even in large nonlisted firms. Persons hold most of the equity except in listed firms, where indirect ownership through corporations dominates. Ownership control through pyramids is rare, but holdings that are legally critical for control (i.e., 1/3, 1/2, or 2/3) are widespread.

The typical board is very small, stable over time, and homogenous in terms of gender and stakeholder mix. Larger boards, which are more often found in large, old, listed firms with low ownership concentration, tend to have younger directors, female directors, and employee directors. The much higher insider holdings in nonlisted firms makes the agency conflict between managers and owners negligible. In contrast, the potential conflict between inside and outside owners is large. Listed firms are in the opposite situation.

The operating performance (ROA) is higher when personal ownership is high, the board is small, the CEO is a director, when earnings are paid as dividends, and when the firm is nonlisted. This evidence suggests that personal ownership reduces agency costs more than ownership through intermediaries, that good boards are small boards, and that high dividend payout benefits owners by increasing the liquidity of their wealth and aligning their interests. And, most importantly, these findings show that listing status per se matters not just for corporate finance and governance, but also for the ability to create economic value. An exciting arena for future research is to uncover where this excess performance of nonlisted firms comes from, particularly in a setting where thousands of firms can choose whether to stay private, go public, or to delist.

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1. Introduction

We start this chapter by providing background and motivation for our study in section 1.1. The outline of the study is specified in section 1.2, followed by a summary in section 1.3.

1.1 Motivation

Existing research on corporate finance (Eckbo, 2007) and corporate governance (Becht et al, 2003) is heavily biased towards firms that are listed on a stock exchange (public; widely held) as opposed to nonlisted (private; closely held). There are at least two reasons why. First, listed firms may look more attractive to financial economists because the quality of these firms' behavior may be estimated by their observable market value and not just their book (accounting) value. Second, more is publicly known about listed firms because regulation puts stronger requirements on their information production. In particular, listed firms must produce standardized, audited accounting statements for the general public at least once a year, and data vendors like Compustat and Datastream make such information easily accessible to investors, analysts, and researchers worldwide. In contrast, reliable accounting data for nonlisted firms is much harder to obtain, although recent efforts by Amadeus to build a database for nonlisted European firms is a promising first step. Correspondingly, data on at least some corporate governance mechanisms in listed firms is public information in most countries. In contrast, no broad database exists for the governance mechanisms of nonlisted firms, such as their ownership structure, insider equity holdings, and board composition.[1]

This missing research on the corporate finance and governance of nonlisted firms is problematic for at least two reasons. First, nonlisted firms account for a much larger fraction of the macro economy than listed firms. Chapter 5 will show that Norwegian nonlisted firms have in the aggregate four times more employees and sales, twice as much assets, and constitute more than 99% of all limited liability firms in the country. Although we lack comparable data from other countries, the indirect evidence we report will suggest that the relative size of nonlisted firms in the Norwegian economy is also a representative case internationally. Thus, nonlisted firms are probably more significant than listed firms in most other countries as well. Nevertheless, much less is known about how nonlisted firms behave and perform as economic entities.

Second, existing research findings on corporate finance and governance in listed firms may not be valid for nonlisted firm. This is because nonlisted firms seem fundamentally different. We will show repeatedly that listing status correlates systematically with key characteristics of the firm and its environment. For instance, nonlisted firms are less transparent to outside observers, cannot finance themselves in the public equity market, their shares can only be traded at high transaction costs, and their minority stockholders are less protected by regulation. The firms tend to have more concentrated ownership than listed firms of comparable size, higher insider ownership, smaller boards, be more often dominated by families (persons), and more often have their CEO as the chairman. According to the theory of corporate finance and governance, such differences in the firm's environment and governance structure may matter for the firm's behavior, such as its real investments, capital

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[1] Amadeus provides data on ownership concentration from 2003 on for most countries they cover and on board composition as of the reporting date. As the reporting of governance data is not mandatory in most of the countries covered by Amadeus, the quality of their governance data is difficult to evaluate.

structure, dividend policy, and risk management. They are also potentially important for the firm's economic performance, such as its growth and return on capital invested.

Apart from addressing these two biases of existing research, access to micro-economic data on nonlisted firms also enables us to better understand the unique features of being listed. For instance, by analyzing the economic history of IPO firms before they go public, one may better understand why some IPO candidates choose to stay private when others go public, and how the pricing at the IPO depends on the firm's pre-listing characteristics. Another example is the role of stock liquidity in dividend policy. As nonlisted firms tend to have less separation between ownership and control than listed firms, their dividend payments are less important both for disciplining management and for signaling growth prospects to outside investors. Rather, dividends may primarily serve as a liquidity provider, since the stock is illiquid and is held by owners with very concentrated wealth. Nevertheless, almost all tests of dividend theories have been limited to listed firms. Finally, by studying boards in both listed and nonlisted firms, one may better understand the mostly ignored tradeoff between a director's conflicting roles as monitor and adviser (Adams and Ferreira, 2007). As the adviser role is probably more important in nonlisted firms because ownership concentration is high and the management team is small, the handicap of independent directors may be more easily observable than in listed firms (Bøhren and Strøm, 2008).[2]

The comprehensiveness of our data set is also potentially useful per se. First, it may allow the researcher to more precisely describe how a given firm characteristic varies across the full spectrum of firms, such as the shape of the frequency distribution for firm size in the economy. This is important not just for improving the power of statistical tests, but may also help us understand the dynamics of firms and industries. For instance, if a firm's growth is independent of its size, it can be shown theoretically that the distribution of size in a large group of firms is lognormal (Sutton, 1997). Thus, we may test this so-called Gibrat's law either by its assumptions (i.e., check whether size and growth are independently distributed variables) or by its implication (i.e., check whether the frequency distribution of size across firms has a lognormal shape). Either way, we need a large sample of firms and preferably the whole population to test a hypothesis of this kind. The second benefit of more comprehensive data is that it allows the researcher to explore a wider set of corporate finance and governance mechanisms, such as how the relative performance of listed and nonlisted firms depends on the joint impact of a battery of governance mechanisms, e. g., ownership concentration, insider holdings, joint ownership and management by families, and board turnover.

The existing literature has just recently started addressing the corporate finance and governance of nonlisted firms.[3] Bennedsen et al (2006, 2007) analyze board size endogeneity and CEO succession using a small number of firm characteristics from a large sample of nonlisted and listed Danish firms. Four recent studies use data from the Amadeus database, which contains 44 accounting variables and some ownership characteristics for samples of listed and nonlisted firms in 40 European countries (chapter 4 provides more details on Amadeus). Giannetti (2003) explores how cross-national differences in capital market development influence the use of debt financing by listed and nonlisted firms. Giannetti and Ongena (2008) analyze how foreign bank entry influences growth and financing across small and large nonlisted firms. Klapper, Laeven and Rajan (2006) study how regulatory restrictions on firm startups influence the entry and exit of firms.

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[2] After Sarbanes-Oxley, the overriding concern in corporate governance codes worldwide is to ensure sufficient monitoring by means of independent directors. As indicated above, this emphasis may be misplaced when the firm is nonlisted.
[3] Studying family firms in the US and Europe, respectively, Villalonga and Amit (2006, 2006a) and Maury (2006) describe some of their governance mechanisms, a few corporate finance variables, and relate these characteristics to performance. Despite the fact that almost every family firm in any country is nonlisted, all their sample firms are listed.

Claessens and Tzioumis (2006) use Amadeus data from 19 European countries to describe how blockholdings, asset structure, leverage, and performance vary with listing status in large corporations. This study, which is the one that comes closest to ours, gives a useful first look into how corporate finance and governance characteristics differ between private and public firms within a small subset of the population. However, it also reflects that most of the work remains and that certain of their conclusions are premature. For instance, Claessens and Tzioumis cannot separate outside owners from inside owners, as Amadeus does not provide the latter. This distinction may be crucial for the relationship between governance and performance, at least in public firms (McConnell and Servaes, 1990; Becht et al, 2003). They also ignore board composition, which is known to interact both with other governance mechanisms and with performance (Hermalin and Weisbach, 2003). Also, their conclusion that industrial firms are the most common ultimate blockholders is misplaced. Industrial firms are owned by someone, and ultimate owners can only be identified by going behind potentially several layers of firms in a pyramid until one gets to persons or the state, who are the only ultimate owners by definition (La Porta et al., 2000). Finally, Claessens and Tzioumis (2006) only study large firms, which we will show differ considerably from the typical nonlisted firm in terms of basic finance and governance characteristics.

1.2 Outline

We use three approaches to improve on the situation described in section 1.1:

  i. Build a comprehensive, reliable database on corporate finance and governance characteristics for the population of listed and nonlisted firms with limited liability (*aksjeselskap*).

 ii. Describe these characteristics in an unusually detailed way, letting the firm's listing status (i.e., listed vs. nonlisted) be one of its governance characteristics.

iii. Analyze how the firm's corporate finance and governance interact with performance.

Differences between listed and nonlisted firm will be highlighted under both item (ii) and (iii), and we pay particular attention to differences between nonlisted family firms and other nonlisted firms under (iii). As we currently lack data on family relationships, we will use personal owners as our proxy for family ownership.[4]

As a joint background for all three components of our study, chapter 2 briefly presents key elements of the existing theory and empirical evidence. We focus on corporate finance and governance differences between listed and nonlisted firms, and on how performance interacts with ownership and board characteristics. Chapter 3 summarizes major regulatory restrictions on corporate governance and on financial reporting.

Part (i) of our study as defined above starts in chapter 4, where we describe the database, which covers all Norwegian firms with limited liability over the period 1994-2005. We call this the CCGR database, since it is financed and operated by the Centre for Corporate Governance Research (CCGR; www.bi.no/ccgr) at the Norwegian School of Management (BI). Unlike in most other countries, Norwegian law mandates every limited liability firm to publish an audited annual report each year. This report consists of a profits and loss statement, a balance sheet with accompanying footnotes, a cash flow statement, the board of

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[4] Data on kinship and marriage will be added to the CCGR database by year-end 2008. This will enable us to determine genuine family relationships in terms of both owners, officers, and directors.

directors report, and the auditor's report.[5] The firm must also publish the identity of its CEO and its directors, and the fraction of equity held by every owner.

The CCGR database as of September 2008 has 12 years of accounting data on corporate finance (1994-2005) and 6 years of data on corporate governance (2000-2005). There are about 130,000 firms with limited liability in a typical year, rising gradually from about 100,000 firms at the beginning of the sample period to 160,000 at the end. Applying a series of consistency filters, ignoring subsidiaries and instead using the consolidated accounts of their parents, and also requiring all firms to have positive sales, assets, and employment, our sample has on average roughly 77,000 firms per year. About 135 of these firms are listed on the Oslo Stock Exchange. The database has approximately 130 items of accounting data and 80 items of governance data per firm year.

Chapter 5 estimates the macro-economic significance of listed and nonlisted firms in Norway and elsewhere. Chapter 6 overviews the firms' corporate finance characteristics by reporting summary statistics for key variables, such as size, asset structure, capital structure, debt maturity, dividend payout, growth, and return on assets. We also analyze the shape of the frequency distributions for these characteristics, such as the distributional form for size across firms in the economy. Moreover, we relate some of these characteristics to each other and analyze how they depend on the firm's listing status and industry.

Part (iii) of the study is reported in chapter 7, where we first analyze ownership structure in considerable detail. We describe key non-financial governance mechanisms (ownership concentration, owner types, and insider ownership) and relate them to potential determinants, such as firm's size, industry, and listing status. Because our data set includes all firms in the economy, we can describe the ownership structure of any firm in terms of its direct (first-layer) owners as well as its ultimate (all-layers) owners. This means we can trace indirect ownership through all levels of a pyramid and show whether direct ownership is sufficient or whether we need to know ultimate owners, which requires much more comprehensive data.

We describe board composition by a series of characteristics that distinguish one board from another, such as board size, CEO-chairman duality, employee directors, and gender mix. Like for ownership structure, we look for potential determinants, such as the relationship between board size, firm size, and listing status. We complete part (iii) by analyzing how the economic performance of the firm interacts with its corporate governance system, including its listing status. Particular attention is paid to how performance relates to different owner types, such as inside vs. outside owners and personal (family) vs. corporate owners. Chapter 8 provides an overall summary.

1.3 Summary

Existing research on the corporate finance and governance of firms with limited liability is extremely biased towards firms that are listed on a stock exchange. This is probably due to missing public data in most countries regarding nonlisted firms' market value, accounting statements, ownership structure, and board composition. Our study is special because it constructs and analyzes a high-quality database for an unusually wide range of corporate

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[5] As will be explained in section 3.2, small firms can opt out of the cash flow statement. They may also drop some of the footnotes or use simplified accounting rules for complicated transactions or transactions that require particularly difficult estimates, such as leasing obligations, stock-based payments, and financial instruments. Unless audited financial statements are submitted to a central registry within 17 months after fiscal year end, the firm is automatically liquidated by the court (www.brreg.no/presse/pressemeldinger/2007/04/regnskap_mangler.html).

finance and governance in the population of listed and nonlisted Norwegian firms with limited liability over the twelve-year period 1994-2005.

The lacking economic insight into nonlisted firms is problematic in a macro-economic setting, as we will show that these firms constitute a much larger share of the economy than listed firms. Existing findings from listed firms may also be invalid for nonlisted, which are less transparent, cannot tap public equity markets, and have very illiquid shares. Moreover, we will show that they are often smaller, have much higher insider ownership, and are family-dominated. Theory suggests that such firm characteristics, which are seldom observed in listed firms, matter for behavior and performance. Also, benchmarks from nonlisted firms make it easier to discover the uniqueness of the listed, such as why some choose to go public whereas others prefer to remain private. Existing research has barely addressed such issues.

Chapter 2 sets the stage by presenting key elements of the existing theory and evidence, whereas chapter 3 summarizes the regulation of corporate governance and financial reporting. Chapter 4 describes the CCGR database, which is considerably more extensive than what has been available for research purposes in the past. This is probably because Norwegian law is special by mandating every limited liability firm to publish an audited annual report consisting of a profits and loss statement, a balance sheet with footnotes, a cash flow statement, the board of directors report, and the auditor's report. The firm must publish the identity of its CEO and its directors, and the holdings of every owner. The CCGR database has twelve years of corporate finance data and six years of corporate governance data. Applying several consistency, activity, and double-counting filters, the sample used in our study has roughly 77,000 firms in a given year, of which 134 are listed.

Chapter 5 documents the macro-economic significance of listed and nonlisted firms, and chapter 6 reports corporate finance characteristics, such as asset structure, capital structure, debt maturity, and dividend payout. We relate some of these characteristics to each other and to listing status. Chapter 7 on corporate governance analyzes ownership concentration, owner types, insider ownership, and board composition, and we relate these characteristics to potential determinants. Ownership structure is described by both direct and ultimate ownership. Board composition involves characteristics like board size, director tenure, CEO-chairman duality, board turnover, employee directors, and gender mix. Finally, we analyze how the governance mechanisms interact with performance, paying particular attention to whether listing status per se matters for this relationship.

Every chapter is ended by a short summary, whereas chapter 8 recaptures the major points from all the preceding chapters.

2. Theory and existing evidence

Section 2.1 summarizes theory and empirics on the difference between listed and nonlisted firms, and section 2.2 discusses how corporate governance mechanisms relate to agency costs and economic performance. Since the literature on corporate finance is too comprehensive and often tangential to our study, we refer to the survey by Eckbo (2007) and limit ourselves to issues that are particularly relevant to our setting, such as relationships between financing mix and listing status and the use of dividends as a liquidity provider.

2.1 Listing status

This literature studies the firm's choice between being listed and nonlisted and how the anatomy of corporate finance and governance differs between listed and nonlisted firms. We start by summarizing the most important theory.

One stream of the literature analyzes the advantages listed firms offer their owners through better stock liquidity, increased diversification opportunities, and more efficient risk-sharing (Pagano, 1993; Admati, Pfeiderer and Zechner, 1994). Agency theory argues that if listed firms have less concentrated ownership than nonlisted firms, these liquidity and risk benefits may be offset by the cost of reduced monitoring incentives (Coffee, 1991; Bhide, 1993). However, Bolton and von Thadden (1998) and Maug (1998) show that even moderate ownership concentration produces a positive net listing benefit.

Burkart, Gromb and Panunzi (1997) and Pagano and Roell (1998) study the optimal level of monitoring under tradeoffs between closer monitoring and lower management incentives. This setting is particularly relevant for firms with powerful owners and professional managers with low equity-based incentives. The authors show that high ownership concentration, which is more prevalent in nonlisted firms, may produce excessive monitoring, as tight outcome control by active owners reduces the manager's incentive to exert effort.

Recent work by Boot, Gopalan and Thakor (2007) integrates several of these ideas by showing that stock liquidity is a two-edged sword. In their model, different owners may have different views on the firm's best strategy, and managers may also differ from each other in terms of beliefs and abilities. The authors show that the major determinant of optimal listing status in such a setting is the cost and benefit of having a liquid stock.

According to their model, the benefit of being listed is the reduced cost of capital caused by the owners' ability to trade their shares at low transaction costs. This liquidity is costly, however, as high liquidity allows the ownership structure to change more easily. The resulting higher uncertainty about future ownership structure exposes management to more unpredictable owner intervention and hence to a more random level of alignment between managers and owners. This potential mismatch reduces managements' incentives to exert effort and hence lowers the value of the firm. In contrast, although nonlisted firms have a higher cost of capital due to an illiquid stock, agency costs are lower due to a more stable ownership structure and accordingly a better fit between the beliefs of managers and owners.

Stated differently, being listed is costly because the current employment contract for the manager can only reflect an expectation of what different future owners consider the optimal degree of management discretion. The employment contract in a nonlisted firm with a stable ownership structure can handle any discrepancy between the beliefs of owners and managers by tailoring the level of managerial flexibility to the known and stable differences in beliefs.

Thus, Boot, Gopalan and Thakor (2007) posit that the optimal listing status involves a tradeoff between the cost and benefit of liquid ownership rights. The new insight is that because higher liquidity makes the ownership structure more unpredictable, governance costs increase. The authors also show that being nonlisted is more attractive the lower the market price of the stock, and the higher the volatility of this price. Although the model ignores the out-of-pocket listing costs and also the free-riding cost in firms with low ownership concentration, adding these costs to their model would increase the benefit of being nonlisted.

To conclude, the theoretical literature on listing status suggests that the benefits of being listed consist of lower transaction costs, better diversification opportunities, and improved risk-sharing in the market for ownership rights. The costs are out-of-pocket listing expenses, reduced monitoring, and less tailor-made employment contracts.

Switching to empirics, no existing study relates directly to the theories on listing status as summarized above. However, two papers come reasonably close. Analyzing the announcement return to bidders in acquisitions across 17 Western European countries, Faccio, McConnell and Stolin (2006) distinguish between transactions involving listed targets and nonlisted targets. They find no excess bidder returns when the target is listed, but a significantly positive return of 1.48% with nonlisted targets. Similar bidder return differences have been documented in US acquisitions (Moeller, Schlingemann and Stulz, 2004).

Officer (2007) takes the next step by exploring the determinants of abnormal bidder returns when the target is nonlisted. The sample is US firms where a listed parent sells its nonlisted subsidiary. He finds that the acquisition discount for a nonlisted target depends on the seller's liquidity constraint. First, the discount is larger the more liquidity-constrained the seller prior to selling. Second, it is larger the more costly the seller's debt and the lower its stock return the year before the sale. Officer (2007) concludes that the price obtained when selling a nonlisted firm is lower the more serious the seller's liquidity problem. This effect is stronger when the asset being sold is illiquid as well, such as the shares of a nonlisted firm.[6]

Giannetti (2003), Claessens and Tzioumis (2006), Klapper, Laeven and Rajan (2006), and Giannetti and Ongena (2008) all use data from the Amadeus database, and they all study nonlisted firms in many European countries. Only Giannetti (2003) and Claessens and Tzioumis (2006) address the role of listing status.[7] Giannetti (2003) analyzes how the legal protection of creditor rights in a country influences the firms' capital structure and debt maturity. She finds that firms use more debt when equity markets are less developed, and that stronger creditor rights protection improves the ability to finance intangible assets with debt. Moreover, for a given level of creditor rights protection, nonlisted firms have more debt and shorter debt maturity than listed firms. Giannetti concludes that stronger protection of creditor rights primarily benefits nonlisted companies.

Claessens and Tzioumis (2006) is the only paper we know that describes corporate finance and governance differences between listed and nonlisted firms at any length. They analyze how blockholdings, assets, leverage, and performance correlate with listing status in large corporations across 19 European countries. The authors find that in most countries except in Eastern Europe, nonlisted firms more often have majority blockholders. Unlike in

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[6] What happens if the bidder is nonlisted? According to Bargeron et al. (2007), the announcement gain to target shareholders is significantly lower when the bidder is privately held. However, this effect is driven by the fact that management owns a higher equity fraction in nonlisted bidders than in listed bidders. Thus, the key in their sample is the difference in managerial incentives for the bidder rather than listing status per se.

[7] Klapper, Laeven and Rajan (2006) study how regulatory restrictions on market entry influence the characteristics of new firms and the growth of incumbent firms. Giannetti and Ongena (2008) analyze how the entry of foreign banks in Eastern European countries changes the financing and growth of nonlisted firms.

listed firms, the most common ultimate owner of a block in nonlisted firms is not a family, but an industrial firm. Moreover, nonlisted firms have on average more intangible assets, higher asset turnover, and more debt financing. Finally, controlling for country, industry, size, and age, they find that in 644 matched pairs, nonlisted firms have lower EBIT and higher returns on assets and equity. As we argued in section 1.1, however, some important unresolved questions remain in this study. First, Claessens and Tzioumis do not distinguish between inside and outside owners, do not identify families as an owner type, and ignore board composition. The obvious reason is that Amadeus does not contain such data. Second, their conclusion that industrial firms are the largest ultimate owner is misleading, as industrial firms are not ultimate owners. To find such owners, one needs to eliminate all intercorporate shareholdings, which requires access to the population of firms in the economy.[8]

2.2. Corporate governance mechanisms

Agency costs are driven by potential conflicts of interest between the firm's stakeholders (Jensen and Meckling, 1976; Shleifer and Vishny, 1997; Tirole, 2001; Becht et al., 2003). In our setting, it is particularly useful to decompose this overall agency problem into the first and the second agency problem, respectively (Villalonga and Amit, 2006). The first agency problem concerns potential conflicts of interest between owners and non-owners, such as stockholders vs. managers. The second agency problem is due to lacking unanimity between owners with unequal power, such as majority vs. minority owners.

It is generally believed that whereas the first agency problem produces the more serious cost in listed firms, the second dominates in the nonlisted (La Porta et al., 2000, Faccio et al., 2001; Villalonga and Amit, 2006). This is because each stockholder tends to be small in listed firms, both relative to managers and to each other. Thus, the monitoring and incentive problem between owners and managers is major, whereas the potential conflict between majority and minority stockholders is minor. In contrast, because owners are thought to have larger stakes in nonlisted firms, they are less at the mercy of managers (i.e., the first agency problem is minor). However, the controlling owners may more easily induce decisions that benefit themselves at the minority's expense (i.e., the second agency problem is major).

Corporate governance mechanisms are vehicles for reducing agency costs, i.e., tools for reducing the value destruction caused by the first and the second agency problem. We classify these mechanisms as ownership structure (2.2.1), board composition (2.2.2), financial policy (2.2.3), endogeneity and optimality (2.2.4), and corporate environment (2.2.5). Each section outlines the major theoretical ideas and summarizes key empirical findings, focusing on the relationship between economic performance and the governance mechanism in question. Much more comprehensive expositions are available in the surveys of Shleifer and Vishny (1997) and Becht et al. (2003).

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[8] As Claessens and Tzioumis (2006) use the Amadeus classifications, it seems Amadeus does not track down ultimate owners through the full ownership pyramid, but stops at the second layer due to lack of ownership data for all firms in the economy. Moreover, Amadeus reports ultimate owners' control rights, but not their cash flow rights. Finally, it seems Amadeus reports ultimate owners by what they call total ownership. Whether or not this item is reported for a given country seems to depend on whether Amadeus' national data supplier produces such data. For instance, Amadeus does not report total ownership for Norway, which may be because their Norwegian data provider (CI) does not estimate this variable.

2.2.1 Ownership structure

This section discusses three basic ownership dimensions within a governance-performance framework, which are concentration, types, and insiders, respectively.[9]

We distinguish between inside ownership (i.e., equity holdings by the firm's directors and officers) and outside ownership (i.e., equity holdings by owners who are neither on the board nor on the management team). The important point to notice about outside ownership concentration is that its theoretical relationship to performance is unclear. This is because ownership concentration reflects the net impact of several benefits and costs which are hard to rank ex ante. Outside owners with high equity stakes may be beneficial by ensuring that the principals have sufficiently strong incentives and power to monitor their agents, and by reducing the free-riding by small shareholders. These benefits make the seriousness of the first agency problem fall as ownership concentration increases.

The costs of concentrated ownership are reduced liquidity of the stock, lower diversification benefit for the large owner, increased majority-minority conflicts, and reduced management initiative due to excessive monitoring. This makes the second agency problem more serious as ownership concentration grows. Since theory cannot specify how the sum of the two agency costs varies with ownership concentration, the shape of the relationship between outside ownership concentration and performance must be determined empirically.

Empiricists measure ownership concentration by either the Herfindahl index,[10] the fraction held by the largest owner, or by the aggregate holding of several large owners, such as the three largest. Performance is normally measured by Tobin's Q or by book return on assets (ROA). Among the 33 empirical ownership-performance papers from 1932 through 1998 surveyed by Gugler (2001), 27 deal with outside concentration. They mostly find either a positive or no link between outside concentration and performance. Recently, however, Lehmann and Weigand (2000) estimate a negative relationship in German listed firms. Bøhren and Ødegaard (2006) find the same result in Norwegian listed firms over 1989-1997.

Agency theory argues that for given ownership concentration, owner type matters because the identity of powerful owners makes a difference for how governance is executed. Direct ownership represented by personal investors is considered a better monitoring and incentive vehicle than indirect ownership, where widely held corporations or the state invest other people's money. It has still been argued that indirect ownership through institutions may outperform ownership by persons, provided the institutions' lower monitoring costs due to higher professionalism dominate the negative incentive effect of delegated monitoring. Finally, since foreign investors may be informationally disadvantaged relative to national investors, they may primarily invest abroad to capture diversification benefits rather than to improve governance. Thus, it has been argued theoretically that because increased holdings by foreigners reduce monitoring quality, performance may suffer. The empirical evidence on the role of owner identity is mixed, and Gugler (2001) considers the issue as remarkably

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[9] The governance literature has mostly ignored ownership duration, where the issue is whether the holding period of influential owners matters for the firm's performance (Bøhren et al., 2008). Since our data set is probably too short to analyze ownership duration properly, we will ignore it except by referring to the non-documented popular opinion that controlling shareholders in family firms often hold their shares longer than other owner types.

[10] The Herfindahl index is the sum of squared equity fractions across all the firm's owners or a subset of them. It has a maximum of one when a single investor owns everything and approaches its minimum of zero as the ownership structure gets increasingly diffuse.

unexplored. In general, the answer is still open as to how owner type interacts with performance. The exception is family ownership, which we discuss separately below.

The primary governance role of outside owners is to monitor management from a distance, including the use of hands-off strategies like voting by foot. In contrast, inside ownership concentration reduces the need for such indirect control, as owners are directly involved with the firm's strategic decision-making in the board room. Thus, compared to outside ownership, inside ownership addresses the first agency problem more directly and comprehensively. The convergence-of-interest hypothesis predicts that insider holdings and economic performance are positively related (i.e., reduces the first agency problem). On the other hand, powerful insiders may entrench themselves and expropriate wealth from outside owners (i.e., the second agency problem grows). However, as insiders carry a larger fraction of destructed market value the higher their stake, the threat of expropriation may diminish as the insider stake becomes sufficiently large. Consequently, like for outside concentration, governance theory cannot specify the relationship between insider ownership and performance without a priori restrictions on each separate cost and benefit.

Four of the six empirical insider papers surveyed by Gugler (2001) find a non-monotone relationship between performance and insiders. Performance increases with insider holdings at low insider stakes, then decreases, then either still decreases, slightly increases or stays constant. Like McConnell and Servaes (1990) find for US firms, Bøhren and Ødegaard (2006) find that the relationship between insider holdings and performance for Norwegian listed firms increases with insider holdings up to around 40% and then decreases. This is consistent with the notion that the first agency problem dominates at low insider holdings, the second dominates at high, and that the sum of the two is lowest around 40% insider holdings.

Family ownership involves both ownership concentration, owner type, insider owners, and management. By definition, family firms are dominated by a family, either through ownership, directorship, management, or some combination. Thus, the first agency problem is small in family firms, as ownership concentration is high, ownership is executed directly rather than through intermediaries, the large owner is often on the board, and this owner may also be the CEO. Thus, family owners are good owners relative to the first agency problem, provided this benefit is not offset by a tendency to recruit officers and directors based on kinship and marriage rather than competence. The second agency problem works against the family firm, however, as their owners are not just large, but may also be an unusually coherent group. This may make it particularly difficult for small shareholders to protect their rights. Thus, the first agency problem is minor in family firms, but the second is potentially more serious than elsewhere.

Within the subsample of listed firms, family firms are at least as common as other firm types around the world (Faccio and Lang, 2002). Still, the empirical literature on the governance and performance of listed family firms counts less than ten papers in the leading finance journals over the last ten years (Claessens et al., 2000; Anderson and Reeb, 2003; Cronqvist and Nilsson, 2003, Maury, 2006; Villalonga and Amit, 2006; Bennedsen et al., 2007). These papers mostly find that family firms outperform non-family firms in terms of market value. Thus, the benefit of a minor first agency problem seems to dominate the cost of a major second agency problem. However, Villalonga and Amit (2006) show in their sample of very large US family firms that the existence of a superior market valuation depends critically on the family's role in ownership, control, and management. First, history matters, as superior performance is only found in the first generation. Compared to similar non-family firms, family firms in the second generation are underperforming, whereas third and later generation family firms are like other firms. Second, the founder is critical, as abnormal value

creation only happens when the founder is either the CEO or a chairman monitoring a professional CEO. Typically, the equity of first generation family firms with active founders is worth 25% extra, but family ownership without active board or management involvement produces no excess value, even in the first generation. Third, mechanisms that separate ownership from control, such as pyramids and dual class shares, destroy market value.

Using a sample of listed firms from 13 Western European countries, Maury (2006) finds that higher market value for family firms is limited to countries with high minority protection, and to firms where the family does not have majority control. This is consistent with findings by Faccio et al (2001) from Asia, supporting the notion that sufficiently weak minority protection makes the second agency problem dominate the first. However, Maury finds that book returns on assets is higher in family firms regardless of minority protection, provided the family holds at least one top officer position. Also, unlike for market value, profitability is stronger the more the active family owns.

Overall, the limited empirical evidence mostly shows that listed family firms have higher book returns to capital invested than other listed firms. This suggests that the sum of private benefits and security benefits is higher in family firms than elsewhere. In contrast, the market value of these firms, which only reflects the security benefits shared by all stockholders, is not higher unless the family provides certain combinations of ownership, control, and management. In particular, the market value benefits if the family is not too strong relative to the other owners, if the family takes officer and director positions, and, most importantly, if the founder is actively involved. This is consistent with the basic agency idea that firms are more efficiently run when the first agency problem is small, and that the second agency problem reduces market value when powerful stockholders capture a high portion of the underlying value creation in terms of private benefits.

2.2.2 Board composition

The board structure may matter for performance by influencing the alignment of interest between principals and agents, the production of information for the directors' monitoring and advice functions, and for the board's effectiveness as a decision-maker. As for interest alignment, having owners on the board concerns insider ownership, which we discussed in section 2.2.1. Alignment may also depend on director independence, the argument being that independent directors may be better monitors, but weaker advisors. Regarding information production, directors with multiple directorships may provide valuable information networks to other firms, but may also become too busy. Finally, decision-making effectiveness concerns the costs and benefits of a heterogeneous board. Increased diversity may be obtained by increased board size, gender mix, age differences, and more employee directors. The cost of such diversity is less focus, higher conflict levels, and longer decision-time.

The empirical state of the art is reflected reasonably well by a recent study of all boards in Norwegian listed firms from 1989 to 2002 (Bøhren and Strøm, 2008). The authors find that owners on the board (alignment) and directors with multiple directorships (information) relate positively to performance. Increased diversity produced by larger board size, more gender mix, and more employee directors (effectiveness) all correlate negatively with performance. No significant link exists between independence and performance, supporting the notion that although more independence increases monitoring incentives, it reduces management's willingness to share private information with the monitors. The negative association between board size and performance and the lacking relationship between independence and performance are also robust empirical results internationally.

2.2.3 Financial policy

The firm's financing and dividend decisions can be used to limit management discretion over free cash flow. In particular, investments may be financed with debt rather than equity, and earnings may be paid out as dividends rather than retained in the firm (Easterbrook, 1984; Jensen,1986). Thus, owners may reduce agency costs through high leverage and high cash payout. This governance mechanism is particularly useful for outside owners, who are often unable to monitor management closely. Inside owners are in a different position, as they can exert control closely in the board room rather than just block management's access to corporate resources by forcing cash flow out of the firm as dividends or debt repayment (Khan et al., 2006). On the other hand, inside owners can use high payout to reduce the second agency problem. Thus, the use of financial policy as a disciplining mechanism may depend on the ownership structure in general and the mix of owner types in particular.

Except for Agrawal and Knoeber (1996), who model the debt to equity ratio as one of seven governance mechanisms, existing research tends to treat financial policy as control variables that reflect governance-independent determinants of performance, such as the interest tax shield. There is no clear empirical evidence that corporate finance variables are used as disciplining mechanisms along the lines suggested by corporate governance theory.

2.2.4 Endogeneity and optimality

We have thus far described many corporate governance mechanisms and argued that they may matter for performance. This raises two questions which are particularly relevant in empirical tests. The first is whether governance mechanisms are endogenous or exogenous, both relative to each other and to performance. The second is how an optimal governance structure can be detected in the data.

Governance mechanisms may substitute or complement each other. For instance, high dividend payout may be less important when insider ownership concentration is high (substitutes), and gender diversity may be easier to obtain when the board is large (complements). This makes governance mechanisms endogenous relative to each other. They may also be endogenous relative to performance, which happens when causation runs from performance to governance rather than just the other way, which we have assumed so far. Such reverse causation may for instance occur when firms with high performance attract particular owner types, as opposed to when certain owner types make the firm perform well.

Either way, endogeneity makes empirical tests more challenging. First, single-equation models have performance as the dependent variable and governance mechanisms and control variables as independent variables. Therefore, internally related governance mechanisms create multicollinearity, which may bias the tests towards too seldom finding significant relationships between governance and performance. Thus, one should ensure that failure to reject the null hypothesis is not due to endogenously related governance mechanisms.

The second challenge is that single-equation models are generally misspecified when the independent variables are endogenous. The relationship is better described as a system of equations, where mechanisms and performance alternatively appear as independent and dependent variables in the different equations. However, as theory has little to say about the relationship between the governance mechanisms, there are few ex ante arguments for restricting coefficients and choosing instruments in a systems estimation. Thus, although single-equation models are known to be misspecified, a system approach is not an obviously better alternative. With access to a time series, like in the CCGR database, a better option

may be to lag the independent variables by regressing performance on governance mechanisms from a previous period. We will follow such an approach in chapter 7.

The single-equation approach has also been criticized by Demsetz (1983), but for a different reason. He argues that if governance mechanisms are optimally installed, every mechanism satisfies the zero marginal value condition. This means small changes in any mechanism leaves firm value practically unaltered. Moreover, the set of optimal governance mechanisms may vary from firm to firm, depending on governance-exogenous characteristics like risk and size. Thus, the equilibrium condition implies that no governance mechanism is significantly related to performance in a cross-section. Conversely, Demsetz argues that significant relationships reflect disequilibrium and a potential for value improvement.

Coles et al. (2007) question the validity of this idea by showing that when managerial ownership is optimally tailored to the productivity of management and capital, reasonable parameter values produce a quadratic cross-sectional relationship between managerial ownership and Tobin's Q. Thus, the curve is not horizontal, as suggested by Demsetz' logic. Moreover, the equilibrium hypothesis assumes every governance mechanism can be chosen freely, which is not the case in practice. For instance, any Norwegian firm with more than 200 employees must choose one third of its directors by and from its employees, no investor can hold more than 10% of the equity in a bank, and every listed firm must have at least 40% of each gender among its directors from 2007 on. Thus, as regulation may force governance mechanisms away from their free optimum, the equilibrium hypothesis cannot be used to argue that the expected coefficients are zero in a regression of performance on governance.

2.2.5 Corporate environment

The governance mechanisms considered so far are specific to the investor, such as owner type, or specific to the firm, such as dividend payout. However, these mechanisms and their relationship to performance may also be driven by exogenous factors in the firm's environment. Two such factors are legal regime and competition, respectively.

La Porta et al. (2000) initiated a new research tradition in governance by arguing theoretically and showing empirically that the ownership concentration in a country depends on how well the legal regime protects owners in general and minority owners in particular. The evidence is generally consistent with the idea that legal protection and ownership concentration are substitutes. However, since we analyze governance differences between firms within a given country, legal regime per se plays no role in our study.[11]

Competition may influence not just the governance mechanisms, but also their relationship to the firm's performance. In particular, competition in the firm's product, labor, and takeover market may act as substitutes for the governance mechanisms discussed so far. The general idea is that more competition reduces admissible inefficiency, including bad management. Product prices move closer to marginal production costs in the most efficient firm as competition gets tougher, making it harder for any firm to survive. Conversely, monopoly power enables inefficient firms to persist. Thus, regardless of the firm's governance system, i.e., the specific design of its ownership structure, board, and financial policy, competition disciplines management towards making value-maximizing decisions.

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[11]Norway has a civil law regime, which generally provides weaker owner protection than common law. Nevertheless, the protection of ownership rights in Norway is better than in the average common law country (La Porta et al., 2000). This may be one reason why Bøhren and Ødegaard (2001) find that Oslo Stock Exchange firms in the period 1989-1999 have less concentrated ownership than any other European country except the UK. For instance, the average holding of the largest owner in a listed firm in the mid-1990s was 3% in the US, 14% in the UK, 45% in continental Europe, and 30% in Norway.

This means the firm's governance system will only matter for managerial effort when competition is soft. Thus, the competition argument predicts that the relationship between corporate governance and performance is weaker the stronger the competition.

Several attempts at formalizing this intuitive idea have shown that the theoretical relationship between competition and managerial effort is ambiguous.[12] However, the very limited empirical literature supports the basic intuition. Palmer (1973) finds that the relationship between ownership structure and performance in US manufacturing firms is stronger the higher the firm's market power. Giroud and Mueller (2007) study what happens to the performance of US firms when takeover threats are reduced through new antitakeover provisions at the state level. They find that in industries with strong product market competition, neither the firm's market value nor its operating performance changes as the takeover threat falls. In contrast, firms in non-competitive industries experience both abnormally low stock returns at the announcement of the new law and reduced operating performance once the law is in effect. These findings suggests that the significant relationship between governance and performance found in the literature over the years may be driven by firms in non-competitive industries. Giroud and Mueller conclude that future tests of the governance-performance relationship should include competition as a control variable.

2.3 Summary

The academic literature on listing status studies the decision to go public and how the firm's corporate finance and governance depends on the listing status. The theory posits that the listing benefit consists of lower transaction costs, better diversification opportunities, and improved risk-sharing. The costs are the out-of-pocket listing expense, reduced monitoring activity, lower private benefits, and less tailor-made incentive contracts. Data from the US show that nonlisted targets create more wealth for bidders than listed targets, and more so the less liquid the seller of the target and the assets of the target. Nonlisted European firms have more blockholders than listed firms, more intangible assets, more debt, and shorter debt maturity. The literature on listing status is very limited, probably due to the lack of data for the listed firm's pre-listing period and for the vast majority of firms that choose not to list.

The first agency problem concerns conflicts of interest between owners and non-owners, whereas the second is due to lacking unanimity between owners with unequal power. Corporate governance mechanisms are tools for reducing the value destruction caused by these two agency problems. The mechanisms we discuss are ownership structure, board composition, financial policy, and disciplining forces in the firm's environment.

Ownership structure reflects outside ownership concentration, owner type, and inside ownership. The theory specifies costs and benefits of ownership concentration, but not their net effect on performance, which can so far only be determined empirically. The theory on owner types posits that direct monitoring through personal ownership is better than indirect ownership through intermediaries. Generally, the first (second) agency problem is expected to be more (less) serious the lower the ownership concentration, and personal ownership will have a stronger effect than indirect ownership under either one.

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[12] More competition always produces stronger incentives for agents to work harder. This is because more competition reduces profits, increases the liquidation risk and reduces the value of firm-specific investment in human capital. On the other hand, as more competition produces lower product prices and thereby erodes the value of cost-reducing efforts, it may be optimal for the principal to induce less effort by the agent. Schmidt (1997) shows that the net effect of these two opposing forces is ambiguous. The empirical IO literature tends to find an inverted U-shaped relationship between competition and innovation. The strongest effect of competition on effort occurs in oligopolistic markets, such as computers and automobiles.

The empirical literature on ownership focuses exclusively on listed firms and mostly finds a positive or no link between outside ownership concentration and performance. The evidence on owner identity is mixed and underexplored, and insider ownership mostly correlates positively with performance up to insider holdings around 40% and negatively thereafter. This is consistent with the notion that the first agency problem dominates at low insider stakes, the second at high, and that their net cost is lowest somewhere in between.

Family ownership involves ownership concentration, owner type, insider ownership concentration, and management. The first agency problem is particularly small in family firms, but the second may be more serious than elsewhere. The evidence mostly shows that listed family firms have higher book returns to capital than other listed firms, suggesting that the sum of private benefits and security benefits is highest in family firms. In contrast, the market value, which only reflects the security benefits shared by all owners, is only higher if the family is moderately strong relative to the other owners, if the family takes officer and director positions, and, most importantly, if the founder is active. This is consistent with the notion that firms are more efficient when the first agency conflict is small, and that the second agency conflict destroys market value when strong owners reap large private benefits.

The board structure may influence the alignment of interest between principals and agents, the production of information for monitoring and advice, and the board's decision-making effectiveness. The evidence suggests that owners on the board (interest alignment) and directors with multiple directorships (information production) relate positively to performance. In contrast, increased diversity through larger board size, more gender mix, and more employee directors (effectiveness) correlate negatively with performance. No significant link exists between independence and performance. Thus, good boards are small and have members with high ownership stakes, wide networks, and homogenous background.

Owners may lower the first agency problem through high leverage and high cash payout, as this financial strategy reduces the free cash flow and thereby management's possibility to finance value-destroying projects. This governance mechanism is particularly useful for outside owners, who cannot monitor management in the boardroom. However, there is no clear evidence that corporate finance variables are consistently used for such purposes.

Estimating governance-performance equations in practice is not straightforward. First, governance mechanisms may substitute or complement each other and hence be internally related. They may also be endogenous relative to performance, creating reverse causation. Such endogeneity may produce multicollinearity and misspecifications in single-equation models, whereas a system of equations is difficult to estimate due to a weak theoretical rationale for choosing instruments in the system. Thus, although single-equation models are known to be misspecified, a system approach is not necessarily better. This is why we will utilize the time series nature of the CCGR database by using single-equation models, but regress performance on governance mechanisms that are not contemporaneous, but from a previous period. Second, it has been argued that if governance mechanisms can be chosen feely and are optimally installed, equilibrium implies that no governance mechanism relates significantly to performance in a system of equations. This argument is weakened by the fact that governance mechanisms in every country are subject to regulatory restrictions.

Competition may substitute for governance mechanisms that are specific to the investor or the firm. Thus, regardless of the firm's ownership structure, board composition, financial policy, and listing status, competition may discipline management towards making value-maximizing decisions. Recent empirical tests support this intuition by showing that the stronger product market competition weakens the link between performance and governance.

3. Institutional framework

This chapter summarizes major regulatory restrictions on the governance (section 3.1) and the financial reporting practice (section 3.2) of Norwegian firms with limited liability. Regulatory differences between listed and nonlisted firms are discussed as we go along.

3.1 The regulation of corporate governance

The legal tools for influencing a firm's governance system consist of the two corporate laws (*Aksjeloven* and *Allmenaksjeloven*), the securities law (*Børsloven*), the listing requirements of the Oslo Stock Exchange (*Børsforskriften)*, and the Corporate Governance Codes issued by the Oslo Stock Exchange (*Norsk anbefaling for eierstyring og selskapsledelse*).[13] This section describes this judicial regime from a corporate governance perspective. Our discussion of how listed firms are regulated draws heavily on Bøhren and Ødegaard (2000, section 2.2).

We start by clarifying the differences between the two alternative legal forms of a limited liability corporation. Subsequently, we discuss the role of the fiduciary duty, the regulation of the stockholder meeting, legal restrictions on board composition, mechanisms for separating cash flow rights from voting rights, regulatory protection of minority stockholders, and the reporting and disclosure system for ownership.

3.1.1 The legal form

The corporate law from 1976 was changed by an amendment in 1996 stating that a limited liability firm can be an AS (*aksjeselskap*) or an ASA (*allmennaksjeselskap*).[14] An ASA must have a share capital of at least 1 million NOK. A listed firm must be an ASA, whereas a nonlisted can always choose the AS form, where the minimum share capital is 0.1 million NOK. Further regulatory differences between these two legal forms will be clarified throughout this chapter. By year-end 2005, only 446 of the 157,710 Norwegian firms with limited liability were organized as an ASA. 165 of them were listed.

3.1.2 The fiduciary duty

Unlike in the US, but consistent with the European stakeholder idea of the firm (Allen, Carletti and Marquez, 2007), there is no law, public regulation or consistent legal practice giving the board and the management team an explicit duty to maximize share value. On the other hand, no regulation obliges the firm to prioritize other stakeholders than owners or to trade off conflicts of interest between stakeholders in specific ways, such as rules for handling lacking unanimity between owners, creditors, and employees. Therefore, owners cannot rely on the courts to enforce equity value maximization. Nevertheless, the general disciplining pressure on professional managers towards equity value maximization has probably increased over our sample period, both for listed and nonlisted firms. This is due to a growing use of earnings-, stock-, and options-based incentive contracts and also to the trend in Europe and Asia to challenge the stakeholder idea by the narrower stockholder approach to corporate governance. This tendency is evident worldwide in the corporate governance codes,

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[13]Aksjeloven, Allmenaksjeloven, Børsloven, and Børsforskriften are available at www.lovdata.no. The Corporate Governance Codes can be downloaded at www.oslobors.no/ob/norskeselskaper.

[14] This amendment is referred to as law no. 80 of 1995 and was introduced to align Norwegian corporate law with EU law.

which have been issued by more than 50 countries and mostly by stock exchanges (see www.ecgi.org/codes/all_codes).

Corporate governance codes make explicit recommendations beyond the mandatory limits set by the law. In particular, they make normative statements on issues like the structure of the shareholder meeting, the board of directors, and the management team. Firms listed on the Oslo Stock Exchange (OSE) must publish a statement in their annual report specifying item by item whether or not the firm complies with the OSE governance code. Non-compliers are expected to give a valid reason. This is called the principle of comply-or-explain. Like in other countries, the OSE code focuses on owners as the key stakeholder, and the recommendations mostly try to ensure that shareholder interests are met.

There is no governance code for nonlisted firms. Chapter 7 will show that their governance system is fundamentally different from what it is in listed firms. This means the nature of the agency problem is also different. Hence, good governance structures in listed firms may be bad in nonlisted firms and vice versa. Also, because so little is known about how governance and performance interact in nonlisted firms, making governance codes for such firms is premature from an academic point of view.

3.1.3 The stockholder meeting

Any owner can put items on the agenda for the regular stockholder meeting (*generalforsamling*). Owners with at least 5% of the cash flow rights in an ASA (10% before 1999) and 10% in an AS can force an extraordinary stockholder meeting. As voting rules apply to attending owners rather than all owners, ownership without presence has no power. Companies with less than 20 owners are not required to have standard-form stockholder meetings. Instead, the board may mail the issues to the shareholders, who in turn vote by mail. Stockholders cannot vote by mail in any other companies.

Changes in the corporate charter (*vedtekter*) require a 2/3 super-majority, whereas most other issues need simple majority (1/2). Non-voting shares are not powerless relative to voting shares in charter amendments. Although there must be a super-majority of 2/3 of the voting shares is required, there must also be a 2/3 super-majority among *all* shareholders as well. According to this second requirement, non-voting shares have full power.

3.1.4 The board

Limited liability firms with more than 200 employees must have a two-tiered board unless a majority of the employees vote against it. Firms with 200 employees or less can still have a two-tiered board if owners and employees agree.[15] The supervisory board (*bedriftsforsamling*) elects the regular board (*styre*) and makes the final decision on significant new investments and rationalizations which reduce the number of employees.

If the firm employs more than 200 people, one third of the directors in both boards must be elected by and from the employees. The use of labor representation presupposes a majority vote among the employees if the firm employs less than 201.[16] This lower bound and the flexible system for firms passing the bound means that many quite large firms have no employees on the board. Also, the fraction of employee directors will vary considerably in firms where employees are on the board. All votes in both boards are on a one-person-one-

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[15] The newspaper, shipping, petroleum, and financial services industries are exempted from the two-tiered board regulations.

[16] Employees may elect up to one third of the directors and at least two directors if the firm employs between 51 and 200. Labor may also elect one director in firms with more than 30 and less than 51 employees.

vote basis except when the charter assigns double voting rights to the chair. Therefore, even though the two-tier system assigns formal voting rights to employees, the decisive power is still in the owners' hands, since they never have less than 2/3 of the votes.[17]

The CEO cannot be the chairman if the share capital is at least 3 million NOK. As of the end of 2007, the board of all ASA firms must have at least 40% of each gender among its stockholder-elected directors. There is no corresponding gender rule for employee directors.

3.1.5 Cash flow rights and voting rights

One-share-one-vote is the basic principle in the corporate law. However, the law opens up for two exceptions which enable the firm to separate ownership (cash flow) rights from control (voting) rights by, provided the exceptions are stated in the corporate charter. First, an ASA can issue up to 50% of its shares as non-voting. There is no upper limit for an AS. Second, firms may write voting right restrictions into the charter.[18]

There is no general regulation on voting restrictions (*stemmerettsbegrensning*).[19] Stockholders may increase their power by establishing voting pacts (*aksjonæravtale*) with each other, which is only regulated to a limited extent. If a listed firm is aware of a voting pact between its shareholders, it must file the pact with the OSE. As the parties themselves have no filing obligation, however, public information on voting pacts from the OSE is rather useless. Moreover, the charter may rule that shareholders with a voting pact are considered one shareholder. In private communications with former and current OSE officials, we are told that voting pacts in Norwegian listed firms are rare. Hence, this lack of data may not seriously limit our ability to capture a realistic picture of separation in listed firms. However, we lack reliable information about the use of voting pacts in nonlisted firms. Finally, a stockholder may transfer voting right to others by proxy votes (*fullmakt*). There are no restrictions on the use of proxy votes, but their existence can only be observed if they are actually used at the stockholder meeting.

Unlike countries like Italy, which has a cap on how much two firms can reciprocally own in each other, Norway has no general regulation on intercorporate investments.[20] To fully capture the effect of intercorporate investments, all equity stakes in a firm must be traced through all layers of intermediate corporate shareholdings (like mutual funds or interlocking

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[17] The board of commercial banks is regulated by both the corporate law and the bank law (*forretningsbankloven*). These regulations impose the same type of two-tier board structure on banks as for non-banks. The supervisory board of the bank (*representantskap*) elects the regular board, and the control function of the supervisory board is similar to that of non-bank supervisory boards. As will be discussed in chapter 4, financial firms are not in our sample.

[18] As pointed out in section 3.1.3, non-voting shares cannot vote on matters that require a simple majority, but enjoy full rights in one of the two voting rounds for charter amendments, which require a 2/3 super-majority. Examples of cases involving charter amendments are new stock issues, mergers, voting right restrictions, and changes in corporate objectives.

[19] In financial institutions, however, no investor can own or vote for more than 10% of the share capital except by special permission from the Ministry of Finance. As this rule is stated in terms of both cash flow rights and voting rights, the ownership cap also applies to non-voting shares. By putting a ceiling on the maximum gap between the cash flow right and the voting right, this regulation limits the ability to separate these two rights in banks. As stated earlier, financial institutions will only be included in our sample as owners and not as owned.

[20] Financial firms cannot freely hold other firms' shares. Insurance companies can hold up to 15% of the cash flow or voting rights in other firms, and mutual funds can own up to 10%. Banks have no such direct restrictions on fractions, but there is one cap on the total amount of equity investments across all firms and another cap on the investment in each separate firm. The upper limit on total equity holdings is a certain percentage of the bank's equity and subordinated debt. The general property of this regulation is that the smaller the investing bank and the larger the firms it invests in, the smaller the maximum fraction that can be owned.

pyramids of listed and nonlisted firms) back to the ultimate personal owner or the state. Our data set allows for this approach, which we follow in chapter 7.

3.1.6 Minority protection

The basic regulatory tool for minority protection is the principle of equal proportional rights (*en-aksje-en-stemme*). The law states that no corporate charter can limit the owner's right to attend the stockholder meeting, be present by a proxy representative, bring along an advisor, put a case on the agenda for voting, receive the same information as any other stockholder, and to bring decisions made at the stockholder meeting up for the courts. The law also gives a pre-emptive right for every stockholder to participate in equity issues. This right can only be waived by a 2/3 majority vote of the outstanding shares (voting plus non-voting).

Several other regulations prevent the transfer of wealth from small to large stockholders. A flagging system informs small investors of listed firms when shares are transferred to or from large investors. The rules at the end of the sample period is that investors passing up or down through the thresholds of 5%, 10%, 20%, 33%, 50%, 67% and 90% of the outstanding cash flow or voting rights must notify both the firm and the OSE.[21] Stockholders in listed firms passing the 40% voting rights threshold (45% before December 1997) must give a tender offer (*pliktig tilbud*) to all the other stockholders.[22]

There is neither a flagging system nor a 40% mandatory bid rule for nonlisted firms. However, the 90% freezeout (*tvangsinnløsning*) rule is independent of listing status. In particular, an investor holding over 90% of the shares is obliged to buy the shares from any stockholder who wants to sell. This rule is symmetric, as the 90% majority owner has the right to buy the remaining shares from the minority.

The insider trading (*innsidehandel*) rules state that regardless of whether or not you are affiliated with the firm, it is illegal to trade in its shares based on private information which is pricing relevant and currently not reflected in the price. Key employees in listed firms are barred from trading around certain corporate events, like the management team two months before the annual report is published. Such firm insiders in listed firms must report all their trades to the OSE no later than the morning after the trading day.[23] In a nonlisted ASA, such information must be reported to the board, which keeps the information in a register which is not open to the public. A stockholder in an AS has no such reporting obligations.

These stockholder protection rules are independent of the number of shares held or whether they are voting or non-voting. Several additional ownership rights are granted to shareholders who represent a certain minimum of the share capital. Holders of at least 5% of the outstanding share capital in an ASA or 10% in an AS can force the appointment of an additional auditor and initiate an extraordinary stockholder meeting. Shareholders owning at least 10% of the outstanding share capital in either firm type can prompt an investigation of management's actions or sue any member of the management team, the two boards, the

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[21] The steps of the flagging rules have changed over the sample period. From 01.01.94 to 01.12.97, they were 10, 25, 50, and 75%. After 01.12.97 to the end of the sample period, the thresholds specified in the main text have remained unaltered.

[22] The listing requirements ensure a minimum shareholder dispersion at the initial public offering (IPO). At least 25% of the shares must be owned by the general public, and at least 500 investors (50 investors for small firms) must own at least one round lot. After the IPO, there is no explicit regulation of ownership dispersion except that if a concentrated ownership structure produces a sufficiently low trading volume, the firm may be delisted at the discretion of the OSE. As of April 2008, the minimum requirement on the number of shareholders does not exist anymore.

[23] Before 1997 the regulation allowed a delay of up to 3 months in reporting insider trades.

auditor, and other stockholders.[24] However, minority shareholders are not protected by a cumulative voting system, and they cannot vote by mail except when the board of firms with less than 20 owners choose to have their stockholder meeting by mail (see section 3.1.3).

3.1.7 The recording of ownership

Every ASA must report each transaction of its equity to the VPS (*Verdipapirsentralen*), which is the securities registry. The notification specifies the identity of the buyer and seller, the time of the transaction, the number of securities traded, and the price.[25] A change in the number of securities outstanding must be reported, such as stock splits, treasury stock issues, and issues of new shares. Thus, the VPS files contain the full ownership structure for every listed and nonlisted ASA. The database is computer readable and has been operative since 1989. It provides a consistent time series of complete ownership structure data for any owner over nineteen years, which is exceptional by international standards. More details can be found in Bøhren and Ødegaard (2000, section 2.3).

Firms organized as an AS must keep a so-called Ownership Book (*Aksjeeierbok*), which keeps track of all trades in the firm's stock. This register is open to the public. However, it is only available on a firm-by-firm basis, and is not computer-readable.

3.2 Financial accounting regulation

The accounting law (*Regnskapsloven*), which was passed in 1998, does not distinguish between ASA and AS firms, but between small, medium-sized, and large firms. ASA firms are automatically large, and the accounting rules of large and medium-sized firms are fairly close.[26] This section summarizes the major differences in financial reporting requirements between small firms and other firms. These rules are specified in Accounting Standard 08.[27]

A small firm in a financial reporting sense is an AS that meets at least two of the following three requirements:

1. Less than 60 million NOK of sales
2. Less than 30 million NOK of assets
3. Less than 50 employees.[28]

Starting with the population of all 157,710 limited liability firms in 2005 in table 4.1, we find that 82,569 pass the sample filters (to be presented in chapter 4). 76,767 of these firms are small in a financial reporting sense. Thus, the accounting rules for small firms apply to 93% of the basic sample. However, because a subsidiary may use its owner's accounting principles, the actual fraction of firms following the small firm rules is probably lower.

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[24] These hurdles are lower for ASAs with more than 100 employees. Just 10% of the shareholders of such firms are needed to support the claim, even if they represent less than 10% of the share capital.

[25] Unlike many European countries, Norway does not allow the system of bearer shares. This means the identity of any owner is known from the VPS database except when international investors deposit their shares in nominee accounts with an investment bank.

[26] All limited liability firms were exposed to the same accounting regulations until January 01 1999. From 2005 on, the IFRS (International Financial Reporting Standards) is mandatory for consolidated accounts unless the firm follows US GAAP.

[27] The Accounting Law is available at www.lovdata.no, whereas the Accounting Standard 08 is at www.regnskaps-stiftelsen.no.

[28] Up until January 01 2004, the lower bounds were 40 million, 20 million, and 50 employees, respectively.

The accounting regulation for small firms is special along two dimensions. First, certain items do not have to be reported. A small firm may choose to not report the cash flow statement and does not have to account for its subsidiaries by a consolidated accounting statement, provided the consolidated accounting variables do not exceed the firm size threshold as specified above. The cost of stock-based incentive pay does not have to be expensed, and production costs may only reflect the variable part. Small firms may neither specify the value of the deferred taxes nor the insured pension liabilities.

The second difference is that although the profit and loss statement, balance sheet, footnotes, and the board report are mandatory components of the financial reporting for all firms, some of these items can be specified by simpler procedures in small firms. This option relates to about 15 items. For instance, income from multi-component contracts may not have to be recognized until every component is sold, lease obligations may not be capitalized, and stocks may be reported at their historic cost. Some footnotes may be ignored, such as breakdown of wages, specification of extraordinary items, and transactions with subsidiaries.

From a data quality point of view, it is important to notice that all firms must have their accounting statements audited by a statutory auditor. Listed companies must have an state-authorized auditor, whereas other companies can choose between state-authorized or state-registered auditors.[29] The audited accounting statements must be submitted to the Public Accounting Register every year (*Brønnøysundregistrene;* www.brreg.no/english). Failure to do so within 17 months after fiscal year-end produces automatic liquidation by the court. Chapter 4 describes how the CCGR database relates to this register.

3.3 Summary

The regulation of corporate governance occurs through the corporate law, and listed firms are also regulated by the securities law, the listing requirements of the Oslo Stock Exchange (OSE), and the OSE Corporate Governance Code. A firm is either an AS or an ASA, the ASA legal form is mandatory for listed firms, and nonlisted firms above a minimum size can choose between the two. Less than 1% of the firms are ASA firms.

Charter amendments require a 2/3 majority vote by all stockholders, regardless of whether the stock is voting or non-voting. Most other issues need simple majority by voting stockholders. Any owner can put items on the agenda for the ordinary stockholder meeting, and no charter can limit the owner's right to attend, be present by proxy, bring an advisor, put a case on the agenda, receive the same information as other stockholders, and bring decisions made at the stockholder meeting to court. Unless waived by a 2/3 majority, every stockholder has a pre-emptive right to participate in new equity issues. You need at least 5% of the cash flow rights in an ASA and 10% in an AS to call an extraordinary stockholder meeting or ask for an additional auditor. A flagging system informs all investors of a listed firm when large

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[29] According to Hope and Langli (2007), "The educational requirements for state-authorization are the most extensive and demanding. Several European countries have a similar arrangement of two types of auditors within the profession, for example, Denmark, France, Germany, the Netherlands and the United Kingdom. In particular, the Danish and Norwegian two-level systems of auditors are very similar. The law reserves exclusive rights to perform all statutory audits for the registered and state-authorized auditors. However, the registered auditors are excluded from auditing joint-stock companies with more than 200 employees, all listed companies, and some companies in specific fields like banking, financial services, and insurance. Eilifsen (1998) concludes that, except for Norwegian statutory auditors' additional responsibility related to controlling their client firms' tax obligations, the Norwegian regulatory arrangements and the statutory auditor's responsibilities bear close resemblances to those found in other countries, especially in the other Nordic countries. Similarly, in their study of auditing regulation in Europe, Buijink, Maijoor, Meuwissen, and Van Witteloostuijn (1996) classify Denmark, Finland, Norway and Sweden as one cluster."

investors trade in its stock, and stockholders in listed firms passing the 40% voting rights threshold must give a tender offer to all remaining stockholders. Whereas the flagging rule and the mandatory bid rule only apply to listed firms, only, a 90% freezeout rule applies to all firms. Stockholder with at least 10% of cash flow or voting rights can prompt an investigation of management's actions or sue management, the board, the auditor, and their co-owners.

Limited liability firms with more than 200 employees must have a two-tiered board unless vetoed by the employees or if the firm belongs to a few exempted industries. The supervisory board elects the regular board and makes the final decision on large investments and disinvestments. One third of the directors come from the employees in firms with more than 200 people. CEO-chairman duality is illegal if the share capital exceeds 3 million NOK, and ASA boards must have at least 40% of each gender among its stockholder-elected directors as of year-end 2007. Trades by corporate insiders in listed firms must be reported to the OSE the next morning. Insiders in nonlisted firms have no such reporting obligations.

Cash flow rights can be separated from voting rights through non-voting shares and by voting restrictions in the charter. Stockholders may establish voting pacts, transfer voting rights by proxy votes, and build pyramids by intercorporate investment. The CCGR database has no information on share classes, voting pacts, voting caps, and proxy votes. Since we know the ownership structure of all firms, however, we can undo all pyramiding of cash flow rights.

ASA firms must report each transaction of its outstanding equity to the securities registry. AS firms must keep track of all trades in the stock in a register which is open to the public, only available on a firm-by-firm basis, and not computer-readable.

The accounting law does not distinguish between ASA and AS firms, but between small, medium-sized, and large firms. ASA firms are automatically large firms, and the accounting regulation of large and medium-sized firms are rather similar. Small firms, which account for the vast majority of the population, can choose not to report certain accounting items, certain items can be specified by simpler procedures, and some footnotes may be ignored. All firms must submit audited accounting statements to a public register every year. If this does not happen within 17 months after the end of the fiscal year, the firm is automatically liquidated by the court.

4. The CCGR database

Section 4.1 specifies the data sources of the CCGR database, describes its contents, and compares it to alternative databases. We report the size of the population, the filtering procedure, and the resulting size of the sample of listed and nonlisted firms in section 4.2. The system for classifying firms into industries and industry sectors follows in section 4.3.

4.1 Sources and contents

As pointed out in section 3.2, every Norwegian firm with limited liability is legally obliged to publish full accounting statements every year. It must also report the identity of its CEO, the directors, and the owners, as well as each owner's equity holding in the firm. This information is submitted to a state agency (*Brønnøysundregistrene*). The core of the CCGR database is constructed from data delivered by CreditInform (www.creditinform.no), which specializes in credit ratings and buys data from the state agency partly in electronic format, partly and mostly in paper format. The CCGR database includes every firm with limited liability registered in Norway.[30] It covers the period 1994-2005 for accounting information and general firm information, whereas data on governance (ownership structure, board composition, and CEO identity), founding year, auditor remarks, and credit ratings is for the years 2000-2005. We will extend the time series with data for 2006 and 2007 during the project period. This means there will be 14 years of accounting data (1994-2007) and 8 years of governance data (2000-2007) in the database by the end of 2008.[31]

Appendix 4.A1 provides a full specification of the entries in the CCGR database. There are about 130, 70, and 40 data items per firm per year in the accounting, governance, and misc. category, respectively.[32] The governance data contains all equity holdings of at least 5%, and also smaller holdings for some firms. Although we know the holding of every owner of an ASA firm from the VPS database, this has limited value for our purpose, as the owners in the VPS database are anonymized and cannot be matched with the owner or insider data in the CCGR database. The governance data includes both first layer and ultimate (all-layers) ownership. It also provides group structure (*konsern*) information, such as what subsidiaries a parent owns and what parent a subsidiary is owned by.

The only alternative database we are aware of is Amadeus, which has about 45 accounting items (starting around 1995 for the countries with the longest time series) and ownership data (from 2003 on) reflecting the size and type of blockholders. Unlike the CGGR database, Amadeus does not report insider equity holdings, family ownership, family directorships, family management, group structures, or time series of board composition. Items like credit ratings and auditor remarks are not included, and industry classifications only refer to the most recent date.

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[30] The database also has corresponding data on all other organizational forms of enterprise, such as partnerships, foundations, and mutuals. Our study will not use this type of data.

[31] The CCGR database serves as a joint infrastructure for several projects under the CCGR umbrella. The data may also be made available on a case-by-case basis for BI faculty and students who are not associated with the CCGR. Therefore, we have spent considerable effort setting up a database with a minimum of errors and a maximum of functionality. The requirements on data quality and traceability as well as the size of the database necessitate close attention to procedures for loading, storing, transforming, querying, and extracting the data. Pål Rydland has built the CCGR database and performed the data quality tests. Since it contains sensitive personal information via the social security number of owners, officers, and directors, we have been granted permission to store data by the Data Inspectorate (*Datatilsynet;* www.datatilsynet.no).

[32] An additional 126 data items are reserved for consolidated accounting data.

4.2 Population, filters, and sample size

Table 4.1 shows details of the sample construction for all limited liability firms in panel A and for the subsample of firms listed on the Oslo Stock Exchange (OSE) in panel B.

[Table 4.1]

Panel A initially allows all business enterprises of any organizational form into the sample, such as partnerships, mutuals, foundations, and limited liability firms. The first filter, which excludes firms without limited liability, generates the relevant population for our study, which has around 130,000 AS and ASA firms on average per year and more firms later in the sample period than in the beginning. Filters 2 and 3 are activity restrictions, ensuring that the firm has positive sales and assets, respectively. These filters reduce the average number of firms from roughly 130,000 to 120,000. Filter 4 deletes firms that do not pass non-negativity restrictions on various accounting statement items, whereas 5 and 6 put consistency restrictions on the relationship between a sum and its components. Filter 7 excludes firms that never have employees over the sample period, whereas filter 8 adds the requirement for nonlisted firms that employees are either positive or missing in that year. The two employment filters are the most restrictive of all filters, reducing average sample size before the filter by almost 30%.

To produce our sample, we consider the first and the last year a firm passes all these filters and include all years between. These firms are called the sample candidates in the table. Next, we exclude financial firms. Finally, we exclude subsidiaries and instead use the consolidated (group) accounts of the parent company to reflect the combined activity of parent and subsidiary in the absence of double-counting.

This filtering procedure leaves us with the basic filter and the basic sample, which we will use in the following. This sample has about 77,000 firms per year, rising from about 59,000 in the beginning to 83,000 in the end of the sample period. Only 134 of the firms are listed on average. That is, 99.8% of the firms are nonlisted and 0.2% are listed.

Panel B shows the details of the filtering process for the listed firms. The major reduction in sample size occurs in filter 2, which excludes so called PCC banks (*grunnfondsbank*).[33] Whereas panel A shows that the number of firms is constantly increasing over time both for the population and the basic sample, panel B documents that this tendency is less clear for listed firms. For instance, the number of firms in the basic sample grows until 1998, declines thereafter until 2003, and then rises again.

In the chapters that follow, we state amounts in terms of bill. NOK as of December 31 2005, which is the end of the sample period. Growth rates are in real terms, i.e., percentage change in excess of observed inflation. We use the consolidated accounts of the parent company rather than its unconsolidated accounts except when the firm's consolidated assets are less than 85% of its non consolidated assets.

4.3 Industry classification

All firms are classified according to its NAIC industry code as specified in Appendix 4.A2, which also assigns industries to nine aggregate industry sectors. For expositional simplicity, we will only deal with these industry sectors in the following. Table 4.2 shows alternative measures of aggregate size across these industry sectors in 2005.

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[33] A PCC is partly an ownerless foundation, partly a regular stock company owned by holders of listed PCC securities.

Table 4.2 documents that the service and trade sectors jointly account for 68% of all firms with limited liability in 2005. At the opposite extreme, the energy sector has only 0.4% of the firms. However, energy is the largest sector as measured by sales and assets, whereas service holds this position by employments. Chapter 6 will have more to say about the distribution of firm size across the sectors.

4.4 Summary

The CCGR database, which includes every firm with limited liability registered in Norway, currently covers twelve years of accounting data and six years of governance data. The available data set is considerably more extensive than what has been available for research purposes in the past. This is because Norwegian law mandates every limited liability firm to publish an annual report each year that consists of a profits and loss statement, a balance sheet, accompanying footnotes, a cash flow statement, the board of directors report, and the auditor's report. The rules governing the structure and contents of these accounting statements, which must be audited by a publicly certified auditor, apply to all limited liability firms, independently of listing status, age, and industry. The firm must publish the identity of its CEO, directors, and owners, and the fraction of equity held by every owner. This information, which is stored centrally in a public database, is the major source of the CCGR database, which has about 240 items per firm year. This data set includes credit ratings, founding year, zip code, and also the NAIC industry code, which we use to classify firms into nine broad industry sectors.

There are about 130,000 firms with limited liability in the CCGR database per year, rising from about 100,000 firms at the beginning of the sample period to 160,000 at the end. Applying a series of consistency filters, requiring all firms to be active, and excluding financial firms and subsidiaries, our sample has on average roughly 77,000 firms per year. About 0.2% of them are listed on the Oslo Stock Exchange.

5. Macro-economic significance

We start this chapter by documenting the absolute and relative size of nonlisted and listed firms in the Norwegian economy. Section 5.2 focuses on listed firms by first relating the aggregate market value of their equity (i.e., market cap) to Norway's GNP. To better understand whether the relative importance of listed firms in Norway is a typical case internationally, we compare the ratio of market cap to GNP across a wide range of countries.

5.1 Norwegian firms with limited liability

The most common economic measures of firm size are sales, assets, and employees. Table 5.1 shows such figures for our sample as defined in table 4.1. The table documents that the aggregate sales of firms with limited liability is about 50% of GNP. The book value of assets is around 55%, and these firms employ 1.2 million people.[34] The separate figures for nonlisted and listed firms at the bottom of the table show that sales and assets represent about 40% of GNP in nonlisted firms and about 15% in listed firms. The nonlisted firms employ close to 1 mill. of the 1.2 mill. people working in Norwegian firms with limited liability.

[Table 5.1]

Table 5.2 looks more closely at the relative size of nonlisted and listed firms by showing their aggregate size as a fraction of all limited firms. Nonlisted firms have in the aggregate about four times higher revenues than listed firms, employ four times more people, and hold two times more assets. The fraction for employees is higher in the second part of the sample period than in the first, whereas the opposite is true for sales and assets.

[Table 5.2]

The table documents that according to standard measures of size, nonlisted firms are much more significant than listed firms in the national economy. We are unaware of similar statistics from other countries, but we will get a feeling for the general validity of the Norwegian case by comparing the ratio of market cap to GNP across countries in section 5.2.

5.2 Listed firms across the world

Although we lack data like those in table 5.2 for other countries, we may use some indirect evidence. The most common way of measuring the significance of listed firms in the overall economy is by the ratio of market cap to GDP, estimating market cap as the stock price times the number of shares outstanding.[35] Table 5.3 documents this ratio over the sample period across a wide range of countries.

[Table 5.3]

Panel A shows the ratio of market cap to GDP in 26 European countries, which are ranked from lowest to highest according to their mean ratio over the twelve years in the rightmost column. The mean and median EU ratios per year and for the period as a whole are reported in the two last rows. According to the figures for Norway as stated in bold, the market value of listed firms is on average 41% of GDP. The ratio is generally increasing over time from 29% at the beginning of the sample period to 67% at the end. The volatility of the

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[34] The total 2005 labor force in Norway was 2.3 million (Source: Statistics Norway).

[35] The GNP, which we use in table 5.1, would probably be a more suitable measure of domestic value creation. However, the data source we use for table 5.3 is based on GDP, only.

ratio around the long-term trend is primarily due to fluctuating stock market valuations rather than large ups and downs in the fraction of economic activity that is listed.

Panel A reveals large differences in the ratio of market cap to GDP across European counties. Not surprisingly, Eastern European countries have lower ratios than others, although their ratios grow strongly in the second half of the sample period. If we compare Norway to the overall EU figures at the bottom of panel A, we find that the Norwegian ratio of market cap to GDP is somewhat lower than the EU average, but quite close to the median. Thus, if the relative significance of listed firms in the economy can be measured by market cap to GDP, the situation in Norway as documented in table 5.2 is rather typical for European countries.

Panel B shows market cap to GDP across three levels of GDP per capita (high-middle-low income) and for the world as a whole. These figures generally support the impression of Norway as being a rather typical country in this respect. It seems fair to conclude that nonlisted firms in the aggregate account for a much higher portion of economic activity than listed firms in most countries in the world.

5.3 Summary

Nonlisted firms have in the aggregate four times higher revenues than listed firms, employ four times more people, and hold twice as much assets. Thus, nonlisted firms as a whole are considerably more significant than listed firms in the Norwegian economy. Although the data we use to establish this conclusion is not available for other countries, one may get a feeling for the general validity of this case by comparing the ratio of listed firms' market cap to GDP in Norway to what it is in other countries. This comparison suggests that the relative importance of nonlisted firms we have found in the Norwegian economy is a typical case.

Thus, it is also true internationally that compared to listed firms, nonlisted firms account in the aggregate for a much higher portion of economic activity. This finding makes it even more remarkable that so little is known about the corporate finance and governance of firms that are not on the stock exchange. The next chapter takes a first step towards addressing this lacking insight by showing key corporate finance characteristics of nonlisted firms and comparing them to those of listed firms.

6. Corporate finance

This chapter presents a wide range of corporate finance characteristics for Norwegian companies with limited liability, using the basic sample from table 4.1. We classify these characteristics into seven groups in sections 6.1-6.7, calling them size, asset structure, capital structure, profitability, growth, dividends, and technology, respectively. The corporate finance variables are defined in Appendix 6.A1.

Our objective is to describe the corporate finance characteristics per se rather than making strong attempts at explaining how they have come about. Doing the latter for every characteristic would takes us too far astray, given the overall objective of this report, which is to give a first look and to pinpoint interesting patterns which may be analyzed later in a more focused and elaborate way. Thus, we describe a given corporate finance characteristic the way it turns up in the data, mostly trying to understand it only in terms of a small set of simple, general firm properties, which are firm size, listing status, age, and industry. For instance, we explore whether the asset structure seems to vary with firm size, industry, and listing status, but do not test for theoretically well-founded determinants of asset structure. In the capital structure and dividends sections, however, we move somewhat closer to a hypothesis testing mode, such as when exploring how the relationship between dividends and firm size depends on whether the firm is listed or nonlisted, young or old, and whether it is in manufacturing or service. Similarly, we relate the firm's capital structure to several classic determinants from the theory of corporate finance. Even there, however, the objective is not to test theories per se, but to demonstrate the richness of the CCGR database.

The analytical tools we use in chapters 6 and 7 are descriptive statistics tables, histograms, and statistical regressions. Since the combined set of characteristics and analytical tools is so large, we have chosen not to report histograms except in a very few illustrating cases. Cross-sectional results for a given year always refer to 2005, which is the most current sample year. Time-series results cover the full sample period, i.e., 1994-2005.

Table 6.S1 summarizes descriptive statistics of the corporate finance variables that will be discussed in the following (S is short for Summary). Table 6.S2 shows the corresponding corporate finance variables by industry sector and then by firm size. While these two tables refer to the final sample year (2005), the third summary table 6.S3 shows the pattern year by year over the whole sample period. We will refer to these summary tables as we go along.

[Table 6.S1]
[Table 6.S2]
[Table 6.S3]

6.1 Size

Table 6.1.1 presents descriptive statistics for firm size, classifying a firm as small if it has less than 20 employees, medium if it employs between 20 and 99, and large otherwise.[36] Two striking patterns emerge in panel A. First, most firms (92%) are small. In fact, we will show later than more than half the firms employ less than five. Second, large firms only represent 1% of all firms, but account for roughly 60% of activity as measured by employment, assets, or sales. Medium sized firms constitute 6% of the sample and about 15% of the activity.

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[36] This definition of a small firm as one with less than 20 employees differs from the cutoff of 50 used by the accounting regulation (section 3.2). The present definition is more consistent with the literature on small and medium-sized firms.

[Table 6.1.1]

Panel C shows the corresponding distribution for listed firms. This panel tells a very different story. More than two thirds of listed firms are large, and these large firms account for almost all the activity. In fact, listed firms with more than 1,000 employees represent about one fourth of these firms and about 90% of the activity.

The fact that the nonlisted firms in panel B represent 99.8% of all firms explains why the distribution across small, medium, and large firms corresponds to what we found for all firms in panel A. Although the vast majority of nonlisted firms (93%) are small, it is important to notice that almost 900 nonlisted firms are large. This is almost ten times more than in the listed firms sample. Thus, finding enough nonlisted firms to match listed firms according to the 100 employees size minimum is easy in the CCGR database.

The distribution of aggregate activity across industry sectors is reported in table 6.1.2. While the energy sector has the lowest number of firms, energy firms are more often large than in any other industry sector (12%). Moreover, 91% of the employment in energy firms takes place in large firms. In contrast, there are roughly five times more firms in agriculture, but large agricultural firms only account for 37% of that industry sector's employment. Finally, the service industry sector has by far the largest number of firms. 94% of them are small, but the majority of their employment and sales still occurs in large firms.

[Table 6.1.2]

Looking more closely at the distributional properties for size, panel B of the summary table 6.S1 shows that a median nonlisted firm recorded assets of 1.8 million NOK in 2005, sales of 2.7 million NOK, and 2.3 employees. In contrast, the median listed firm in panel D has 638 million in assets, 271 million in sales, and 248 employees. Thus, a typical listed firm is 100-350 times larger than a typical nonlisted firm, depending on the size measure used. This table also reports many additional characteristics of the frequency distribution, which can also be visualized in terms of histograms. To save space, we only show one example in figure 6.1.1, which is the histogram for size as measured by sales across all firms with limited liability in 2005. Notice that this distribution closely resembles a lognormal, although the statistical test for log normality is rejected.[37] We find the same close resemblance to a lognormal distribution in the subsamples of nonlisted and listed firms. The corresponding histograms based on assets and employees have the same feature.

[Figure 6.1.1]

We report time variation for the corporate finance variables in table 6.S3. The median nonlisted firm (panel B) becomes gradually larger over time in terms of assets, whereas the median listed firm (panel D) gets smaller both in terms of employment, assets, and sales.

Summarizing, we started this section by classifying firms as small, medium and large, depending on whether they have less than 20 employees, 20-99, or at least 100. Whereas over two thirds of the listed firms are large, the vast majority of nonlisted firms are small. Still, there are about ten times more large firms among the nonlisted than the listed firms in our sample. The distribution of size across firms is also very different across industries. For instance, 91% of the employment in energy firms takes place in large firms, but only 54% does in the service industry, which has by far the largest number of firms. Regardless of whether we measure size by sales, assets, or employees, the distribution of size across the sample closely resembles a lognormal. Thus is true regardless of whether we consider all firms, listed firm, or nonlisted firms.

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[37] The insert in the bottom right corner reports the goodness-of-fit statistics and p-values for the Anderson-Darling (A-D), the Cramér-von Mises (C-von-M), and the Kolmogorov-Smirnov (Kolmogorov) test, respectively.

In the following, we often want to compare nonlisted and listed firms of similar size. For this purpose, we construct a subsample called large nonlisted firms, defining it as the 5% largest nonlisted firms by sales. That is, a large nonlisted firm is not defined by the 100 employees minimum from now on, but by being among the nonlisted firms with the top 5% sales. This subsample has about 4,000 firms in a given year. Although the median large nonlisted firm is still considerably smaller than the median listed firms (e.g., 33 vs. 248 employees), there are still many nonlisted firms that size-match a listed firm. For instance, about 800 nonlisted firms are larger than the median listed. About 400 nonlisted firms have sales above 1 bill., whereas only about 40 listed firms do. Thus, in general, it is easy to find nonlisted firms that match listed firms quite well in terms of size.

6.2 Asset structure

We first examine the asset structure in 2005 as reported in table 6.S1. The median nonlisted firm has 1.8 million in total assets, 1.0 in current assets, no inventory, 0.3 million in cash and receivables, and 0.2 million in working capital (panel B). The median listed firm has 638 million in total assets, 231 in current assets, 2 million of inventory, 89 million in cash and receivables, and a working capital of 82 million (panel D).

To control for the finding in section 6.1 that most nonlisted firms are much smaller than listed, panel C shows the corresponding figures for what we from now on call the large nonlisted firms, which are the top 5% nonlisted firms by sales. Whereas listed firms report a median current-assets-to-assets ratio of 36%, it is 78% in nonlisted firms of similar size (panel B shows it is 79% for nonlisted firms as a whole). Thus, the assets are indeed much more liquid in nonlisted firms. Finally, table 6.S3 shows no clear time pattern in the asset structure of listed firms, whereas large nonlisted become less inventory-intensive over time.

We next examine investment in depreciable assets (IDA). Although table 6.2.1 shows variation across industries, tables 6.S2 and 6.S3 document that the median IDA is surprisingly low for nonlisted firms and decreases to 2%-3% at the end of the sample period. The corresponding figure for listed firms is typically 20%. Also, median depreciation is around 24% of depreciable assets in nonlisted firms, but is mostly below 20% in listed firms.

[Table 6.2.1]

The difference between the depreciation ratio and IDA decreases with size (table 6.S2), suggesting that larger firms have higher net investment. Moreover, and remarkably, panel C of table 6.S1 shows that the median IDA in 2005 is 16% for large nonlisted firm, whereas panel D shows it is and 31% for listed. The corresponding median depreciation ratios are 24% and 19%, respectively. This suggests that while listed firms plentifully replenish fixed assets and increase capacity year by year, nonlisted firms of similar size do not.[38]

Summarizing this section, we find that listed firms have a less liquid asset structure than nonlisted firms. Listed firm also invest considerably more in fixed assets relative to the depreciation rate. In particular, whereas nonlisted firms hardly keep constant capacity by investing to offset depreciation, the real investment of listed firms tends to be considerably higher than their depreciation.

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[38] For the subsample of nonlisted firms that report 2005-adjusted assets above 10 million NOK, the IDA varies over time, but is always below the depreciation ratio (table 6.S3, panel B). For listed firms (table 6.S3, panel D), the IDA varies considerably over time, being around 40% in the early part of the sample and in the low teens in 2002 and 2003. Nonetheless, the corresponding depreciation-to-IDA also changes over time and is almost always below the investment ratio.

6.3 Capital structure

Table 6.S1 describes the distribution of the main capital structure characteristics in 2005. For the median nonlisted firm, total debt accounts for 77% of total assets, 90% of the total debt is current, and the working capital comprises 15% of the assets. In the median listed company, 47% of the assets are financed with debt, 64% of the debt is current, and the working capital is 10%.[39] Panel C shows that this pattern also holds for large nonlisted firms: The median large nonlisted firm is more leveraged than similar listed firms (75% vs. 47%), has more current debt (82% vs. 64%), and more working capital (16% vs. 10%).

Table 6.S2 examines corporate finance characteristics across industries. For nonlisted firms, leverage is very homogenous except in energy, where debt financing is considerably less common. We find more industry variation in listed firms, but leverage is still smaller than for nonlisted firms in every industry. The stronger heterogeneity for listed firms also occurs for debt maturity, which is unusually long in energy and very short in construction.[40] Capital structure dynamics is shown in table 6.S3. Leverage stays very stable around 50% in listed firms, but increases over time for the large nonlisted. Debt maturity decreases over the sample period in both firm types.

Table 6.3.1 estimates the relationship between leverage and a series of determinants. Based on existing theory and empirics, Giannetti (2003) posits that regardless of listing status, leverage correlates positively with asset tangibility (tangible assets provide better collateral), firm age (older firms have better reputation), and firm size (larger firms have lower business risk). A negative relationship is expected between leverage and growth (high growth triggers more asset substitution), non-debt tax shields (better tax-reduction substitutes for interest payments), and ROA (profitable firms can finance more from earnings).

[Table 6.3.1]

We examine a similar model, which we estimate with different samples and econometric techniques to check for robustness. In particular, we use all firms from the whole sample period in model (1), all firms from 2005 in (2) to check if the pooling in model (1) matters, nonlisted firms from 1997 in (3) to check if the estimated equation is stable over time, and finally large firms in model (4) to check if more size homogeneity matters. We define large firms by sales in model (4) as the 90% largest of the listed firms and the 5% largest of the nonlisted firms. We add squared terms for size and age in every model to account for nonlinearity, and we control for industry effects. Finally, we restrict the sum of the estimated coefficients to be zero for the two listing dummies as a group and for the ten industry dummies as a group. Thus, any coefficient shows the expected effect of the type compared to the average effect in the group. For instance, the coefficient for the nonlisted dummy shows the expected leverage effect of being nonlisted relative to the average effect of listed and nonlisted firms as a group.[41]

The first thing to notice from table 6.3.1 is that the estimated relationships are very stable across the four models, which explain about one fourth of the variation in leverage. Second,

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[39] One fourth of the nonlisted firms have current debt as their only debt type, while this is only the case for about 5% of the listed. The distribution of total debt resembles the log normal distribution for both listed and nonlisted firms, although the lognormality tests are rejected for a sample truncated at 5% and 95%.

[40] This larger heterogeneity across industries in listed firms may also be due to the fact that with approximately 135 listed firms a year and with nine industries, the sample per industry becomes very small.

[41] Since we use listing status dummies for each firm, we cannot also control for unobservable fixed effects at the firm level by using, say, demeaned variables. Random effects estimation may handle this problem, but that would involve the restrictive assumption that the leverage effect of observable and nonobservable firm effects are independent (Hsiao (2003)).

and most importantly in our setting, having controlled for a series of other determinants such as size, growth, and industry, nonlisted firms have significantly higher leverage than listed firms. Thus, listing status matters for capital structure, as nonlisted firms have consistently higher debt than similar listed firms. This is also what Giannetti finds in six of her eight countries (Belgium, France, Italy, Portugal, UK), whereas the relationship is insignificant in the remaining two (Netherlands and Spain).

Third, the table shows that leverage correlates positively with asset tangibility, negatively with asset returns, and that industry matters. All these results are consistent with the prediction. Fourth, leverage is higher when firms are small and when they grow quickly.[42] Both findings are inconsistent with the hypothesis, but in line with Giannetti's result that these relationships differ from country to country, possibly reflecting differences in legal creditor protection.[43] Finally, leverage and age are inversely related in the subsample of large firms, but positively elsewhere. This lack of robustness suggests one should specify the samples carefully and not just bundle nonlisted and listed firms of all kinds into one sample.

Summarizing, we find that financing patterns vary systematically with listing status. Compared to listed firms, nonlisted firms of any size finance their assets with more debt and use more short-term debt. Leverage is more homogenous across industries in nonlisted firms. The finding that nonlisted firms use more debt persists across several multivariate regression models where we control for many potential leverage determinants, and where we use several alternative samples. These tests also show that regardless of listing status, firms use more debt when they are small, when they grow, and when they have low profitability.

6.4 Profitability

Distributional properties of the profitability variables in 2005 are shown in Table 6.S1. Overall, nonlisted firms tend to have higher book returns to capital invested than listed firms, the median return on assets (ROA) being 7% in nonlisted firms and 5% in listed. The median return on equity is 35% and 11%, respectively. As the ROE depends on leverage and ROA does not, we focus on ROA in the following.[44]

The ROA difference becomes larger if we compare firms of similar size. Panels C and D demonstrate that the median ROA is three percentage points higher in large nonlisted firms than in listed firms (8% vs. 5%). In fact, the ROA is highest for the nonlisted at every percentile in the histogram except for the very lowest. We will make a comprehensive analysis of the relationship between profitability and listing status in section 7.3, controlling for several other variables such as corporate finance, ownership structure, and firm size.

Summarizing, we find that nonlisted firms have higher returns to assets than listed firms, the median ROA being 7% and 5%, respectively. This difference grows by one percentage point if we instead compare to the subsample of large nonlisted firms. We will analyze the relationship between ROA and firm characteristics in section 7.3.

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[42] The inverse relationship we find between leverage and size is particularly robust, as it persists if we alternatively measure size by employment and sales.

[43] For instance, leverage and size correlate negatively in Italy and the Netherlands and positively in France and the UK.

[44] Panel D of table 6.S3 shows that the median ROA for listed firms is falling towards the middle to the sample period to around 3%, rising back to about 5% at the end. In contrast, the ROA stays consistently around 7% in nonlisted firms.

6.5 Growth

This section analyzes the real growth in assets, sales, and net operating income. According to table 6.S1, assets in the median nonlisted firm have grown by 2% in 2005, while sales have grown by 5%. The median net operating income has decreased by 34%, reflecting a much higher variation in earnings than in size. In contrast, median assets in listed firms have grown by 16%, sales by 13%, and net operating income dropped by 7%. Large nonlisted firms are more comparable to listed, as their median growth rates are 9%, 10%, and 4%, respectively.

Table 6.S3 shows growth rates over the sample period. They vary considerably over time regardless of whether we focus on assets, sales or earnings. Also, there is no clear pattern, as no particular combination of size and listing status generates unique growth rates. Thus, our finding for 2005 is not the typical case for the full sample period. For instance, large nonlisted firms have on average median asset growth of 7% and sales growth of 8% per year. The corresponding figures for listed firms are 8% and 9%, respectively.

In summary, we find that growth rates in both assets, sales, and net income vary considerably over time, and that there is no clear relationship in the aggregate data between growth on the one hand and firm size and firm type on the other. However, in order to better understand whether size and growth are indeed independent as assumed in Gibrat's Law (Sutton, 1997), one needs to formally relate size and growth to each other at the firm level. This is an elaborate procedure that we will not pursue in this study.

6.6 Dividends

Table 6.6.1 shows the percentage of firms that pay dividends (payers) and the fraction of earnings paid out by those that decide to pay (payout ratio). Since 2005 appears to be a very unusual year, we exclude this final sample year from the time series summary statistics in the rightmost column. The table shows that roughly one third of all limited liability firms pay dividends in a given year. Although there is no striking difference between listed firms and nonlisted firms as a whole, large nonlisted firms pay dividends considerably more often than other firms; typically every second firm as opposed to every third. The payout propensity increases over time from the middle of the sample period.

The payout ratios are strikingly different. The median nonlisted firm that has decided to distribute dividends pays out almost twice as much of its earnings as the median listed firm; typically 75% vs. 40%. Among the nonlisted, the payout tends to decrease with firm size. These relationships are stable over time, and the payout ratios grow over time in every sample, particularly after year 2000.

[Table 6.6.1]

The higher payout by the nonlisted firms that decide to pay is consistent with the transaction cost idea that dividends and capital gains are substitutes. The more costly it is for the firm's owners to create home-made dividend policy by trading the company' shares in the market, the more dividends the company will pay. The data is also consistent with the notion that the majority owners pay high dividends to reduce the second agency problem, i.e., the potential conflict of interest between the strong and weak stockholders, which is more serious the more concentrated the ownership structure.

The fact that nonlisted firms pay much higher dividends than listed firms once they decide to pay apparently suggests that listed firms actually pay less than what their owners prefer. Such a conclusion would be premature, however, since it implicitly assumes that any

existence of dividend clienteles is independent of the firm's listing status. However, the distribution of dividend preferences among the owners may depend on listing status. Chapter 7 will shed light on the validity of this assumption by showing how the ownership structure differs between listed and nonlisted firms. It will also show how ownership concentration differs, which is relevant for the agency explanation.

Table 6.6.2 examines the proportion of payers and the dividend payout ratio in a regression setting. The potential determinants are listing status, firm size, age, growth, and ROA. We also control for industry membership, and we test the models on the sample of all firms and the subsample of large firms (i. e., the 90% largest among the listed and the 5% largest of the nonlisted).

The logistic regression shows that firms pay dividends more often when they are old, slow-growing, and profitable. Larger firms pay more often in general, but the opposite is true within the subsample of large firms. Similarly, nonlisted firms pay dividends more often in general, but the relationship is not statistically significant among large firms.

The second model shows that a dividend payer in the sample of all firms tends to pay out more of its earnings when the firm is old, grows slowly, has low returns to assets, is small, and nonlisted. This relationship is also observed in large firms, but listing status and growth are no longer statistically significant determinants.

[Table 6.6.2]

Summarizing, we have found that although the propensity to pay dividends does not differ remarkably with listing status, the typical fraction of earnings paid out once the firm decides to pay is much higher among nonlisted firms. Regardless of listing status, the payout is also higher the smaller, older, slow-growing, and unprofitable the firm. This may suggest dividend payments are vehicles for reducing the cost of low stock liquidity and for mitigating the conflict of interest between strong and weak stockholders. The relationship between listing status and dividend payout is less clear when we only study large firms of either type.

6.7 Technology

This section briefly describes distributional properties of the assets-to-employees ratio (AtE) and the sales-to-employees ratio (StE). These two ratios, which are alternative measures of labor intensity, may be thought of as crude proxies of production technology. The higher the ratios, the less labor intensive the production.[45]

Table 6.S1 shows that the median AtE in 2005 is 2.3 for listed firms and 0.5 for nonlisted. The median StE is 1.2 and 0.9, respectively. The frequency distribution of either ratio resembles the lognormal distribution for both samples, although our tests for log normality are rejected. Thus, for the sample as a whole, nonlisted firms are more labor intensive than listed firms. Panel C shows, however, that although large nonlisted firms are more labor intensive than listed firms according to AtE, the opposite is true according to StE. Finally, both ratios for nonlisted firms increase monotonically throughout the sample period, reflecting higher asset intensity. For example, panel B in table 6.S3 documents that the median value of assets to employees in a nonlisted firm has grown from 0.31 to 0.47 million. A similar pattern can be observed in the other subsamples.

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[45] Cross-sectional differences in such ratios may also reflect differences in operational efficiency, particularly within a given industry. This alternative interpretation is less of a problem in our setting, as we only compare listed firms as a whole to nonlisted firms or large nonlisted firms as a whole to get a rough feeling for potential technology differences.

Summarizing, this section documents that for the sample as a whole, nonlisted firms are more labor intensive than listed. However, the difference is less obvious for large firms. Labor intensity drops over time regardless of listing status and firm size.

6.8 Summary

This chapter presents key corporate finance characteristics in the basic sample of firms as specified in chapter 4. We classify these characteristics into firm size, asset structure, capital structure, profitability, growth, dividends, and technology, respectively. Our major objective is to provide rich descriptive statistics rather than test existing theories of corporate finance.

Although listed firms are much larger than most nonlisted firms, there are still considerably more large firms in the economy that are nonlisted. For the sample as a whole, nonlisted firms are more labor intensive, but not when we only compare large firms. Labor intensity falls over time regardless of firm size and listing status.

Growth rates in assets, sales, and net income vary considerably over time, and there is no obvious relationship between growth and listing status. Regardless of whether we measure size by sales, assets, or employees, the histogram of size in the basic sample closely resembles a lognormal distribution. This is consistent with independence between growth and size at the individual firm level.

Listed firms have less liquid assets than nonlisted firms, and they also invest more relative to depreciation. In particular, nonlisted firms tend to keep constant capacity by investing to offset depreciation, whereas the real investment of listed firms is considerably higher than depreciation. As we also find that their growth rates in sales and earnings are fairly similar, this may suggest the marginal value of investments is higher in nonlisted firms, possibly because capital constraints make them underinvest.

Financing patterns vary systematically with listing status, as nonlisted firms fund their assets with more debt and use debt with shorter duration. The finding that nonlisted firms use more debt persists across a series of multivariate regression models. In thee models, we control for many potential leverage determinants, and we use several alternative samples. These tests also show that regardless of listing status, firms use more debt when they are small, when they grow, and when they have low profitability.

Nonlisted firms have higher returns to assets than listed firms, and the difference grows when we only compare large firms of both types, where the median ROA is 8% in nonlisted firms and 5% in listed firm. The propensity to pay dividends does not vary much with listing status, but the typical fraction of earnings paid out is much higher both economically and statistically when the firm is nonlisted, although the relationship is weaker among large firms. Regardless of listing status and firm size, the dividend payout is higher the smaller, older, slow-growing, and unprofitable the firm. This may suggest that high dividend payments are vehicles for reducing the cost of low stock liquidity and for mitigating the conflict of interest between strong and weak stockholders. More elaborate analysis is needed to settle this issue.

7. Corporate governance

Based on existing theory and empirics of corporate governance from chapter 2, we report our findings on ownership structure in section 7.1, board composition in 7.2, and the relationship between governance and performance in 7.3.

We present the descriptive statistics for ownership structure and board composition in terms of joint summary tables. Table 7.S1 shows distributional properties per ownership and board variable for 2005, and table 7.S2 reports three of these properties (the 75th percentile, the median, and the mean) by year for the sample period 2000-2005. Tables 7.S3 and 7.S4 group the 2000-2005 governance variables by industry sector and firm size, respectively. To save space, the three latter tables only report the findings for all firms as a group. We will comment whenever there are large differences between subsamples in these three tables.

[Table 7.S1]

[Table 7.S2]

[Table 7.S3]

[Table 7.S4]

7.1 Ownership structure

Because the CCGR database includes all firms in the economy, we can describe the ownership structure by both the standard direct (first-layer) equity holdings and by the ultimate (all-layers) holding. That is, if a stock in firm A is held by a Norwegian corporation B and not by a person, the state, or a foreigner (i.e., the three ultimate owner types in our setting), we can trace the identity of the corporate owner through firm B and possibly through other firms owning B until we find the ultimate owner in terms of a person, the state, or a foreigner. The ultimate fraction in firm A held by a person, the state, or a foreigner is the sum of direct and indirect fractions in A held by such an ultimate owner. The indirect fraction is the product of the equity fractions held along the path of indirect holdings from the ultimate owner to firm A (LaPorta et al, 1999).[46] By comparing the results based on direct and ultimate ownership, we can clarify whether first-layer ownership is sufficient or whether it is crucial to undo ownership pyramids and pin down the ultimate owners behind all layers, which requires much more comprehensive ownership data which seldom exists.[47] Since the nonlisted firms dominate the sample of all firms by any standard for aggregate size, we mostly focus on the three samples of all firms, large nonlisted firms, and listed firms.

We report the findings on ownership concentration in section 7.1.1, owner types in 7.1.2, and insider ownership in 7.1.3, respectively. All the corporate governance variables are defined in Appendix 7.A1.

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[46] The control right, as opposed to the cash flow right described above, is the direct voting fraction held in A plus the minimum of the voting fractions held at any point along the indirect path. We will only use cash flow rights in the following.

[47] The CCGR database currently lacks ultimate ownership for insiders. Moreover, the VPS database, which is our source of detailed ownership data for listed firms, only provides direct holdings by anonymized investors. Therefore, we only have first-layer ownership for listed firms. Ultimate ownership for insiders in nonlisted firms will be produced at a later stage.

7.1.1 Ownership concentration

Table 7.S1 shows ownership concentration statistics for all firms in panel A, nonlisted firms in panel B, large nonlisted firms in panel C, and for listed firms in panel D. Every panel reports the findings on ownership concentration based on direct holdings (subscript D) first and ultimate holdings (subscript U) next. The ownership concentration measures we report are the holdings by each of the five largest owners, their cumulative holdings as coalitions, the holdings of the largest and smallest outside owner, the Herfindahl index, the number of owners, the mean and median holding per owner, the number of blockholders with at least a 5% stake and a 10% stake, and the aggregate fraction held by these two blockholders types.

The largest direct (first-layer) owner in a Norwegian AS or ASA holds on average 70% of the firm's stock in 2005. This exceeds the 2/3 super-majority required for charter amendments by a comfortable margin. The second largest owns 19%, there are ten owners altogether per firm, and the mean holding per owner is 63%.[48] According to table 7.S2, concentration is very stable over the 2000-2005 period, and table 7.S3 documents that there is variation across industry sectors. For instance, the mean holding of the largest owner is 72% in trade and 63% in agriculture, fishing, forestry, and mining. Finally, table 7.S4 shows that when firms are grouped according to size, some of the concentration proxies suggest that ownership concentration decreases as firm size grows, at least over certain size intervals. For instance, the mean direct holding of the largest owner is 73% in the first (lowest) size decile, decreases monotonically to 65% in the ninth decile, and then rises again in the tenth decile.

Thus, the average firm has very high ownership concentration and very few owners. In fact, table 7.S1 also shows that this is the case in most firms. One fourth of all firms are owned by one person, and three quarters of the firms have an owner who holds a simple majority (i.e., at least 50%). More surprisingly, but consistent with the concentration pattern reflected in the size deciles above, panel C documents that when we move from all firms to the subsample of large nonlisted firms (i.e., the 5% largest nonlisted by sales), concentration does not drop. The largest owner in large nonlisted firms holds 71% vs. 70% for all firms, the mean holding is the same (63%), whereas there are slightly more owners per firm (13 vs. 10). There is similar heterogeneity across industries as for all firms, and concentration tends to increase with firm size at the very highest size decile (not shown in the tables). Finally, it does not matter whether we use ultimate (all-layers) or direct (first-layer) holdings. For instance, the largest ultimate owner in the sample of all firms holds on average 71%, as opposed to 70% based on direct (72% vs. 71% in large nonlisted). Thus, the largest stockholder in a Norwegian firm which is not a subsidiary will normally not exercise control through a pyramid of other firms.[49]

Overall, these descriptive statistics show that most nonlisted firms have a very concentrated ownership structure regardless of firm size and industry membership.[50] Moving on to listed firms in panel D of table 7.S1, ownership concentration falls dramatically. The largest direct owner holds on average 25%, the second largest has 11%, there are about 3,900

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[48] The median number of owners per firm is 2, and the median holding per owner is 50%.

[49] Not surprisingly, this conclusion changes when we allow subsidiaries into the sample. If we include them, we find that concentration is higher both for direct and ultimate holdings, and that ultimate concentration is lower than direct. For instance, the largest ultimate owner in large nonlisted firms holds on average 67%, as opposed to 83% based on direct. This 16 percentage points difference is due to the fact that some of the direct cash flow rights are held by firms that in turn are held by several other owners. We find that this difference is three times larger for large firms than for all firms. This reflects that equity ownership by corporations is much more common in large firms, and particularly in subsidiaries.

[50] Since we do not yet know the data quality for ultimate ownership in listed firms, we will focus on nonlisted firms when analyzing ultimate ownership in the following.

owners per firm, and it takes the five largest for a simple majority. About 5% of the firms have a majority owner. At the opposite extreme of low concentration, one tenth have a largest owner with less than 10%. These figures are quite stable over time, but there is considerable variation across industries (not shown in the table). For instance, the largest owner holds on average 35% in a transport firm and 20% in a construction firm.

Figure 7.1.1.1 shows the histogram for ownership concentration in the sample of all firms for 2005, where we measure ownership concentration as the direct fraction held by the largest stockholder. The histogram reflects the point already noticed that ownership concentration is in general very high. The new point is the overrepresentation of holdings that are critical for control. In particular, the largest owner more often holds 1/3, 1/2, or 2/3 of the equity than other fractions. Thus, the regulatory thresholds for stockholder control are reflected in the observed ownership structure. This is an illustrating example of the general point that regulation matters for corporate governance.

[Figure 7.1.1.1]

Table 7.1.1.1 regresses ownership concentration on firm and owner characteristics. We measure ownership concentration by the Herfindahl index of direct holdings.[51] The independent variables are listing status, the type of the largest owner (to be discussed in detail in section 7.1.2), firm size, firm age, industry sector (see section 4.3), and calendar year. To save space, we do not report the coefficient estimates for the fixed effects (year and industry).

[Table 7.1.1.1]

For the sample of all firms with no ownership restrictions, the model shows that concentration is higher if the firm is nonlisted, small, old, and when the largest owner is a person, the state, or a foreigner. Unreported coefficients show that concentration is unusually high in trade, and unusually low in agriculture, forestry, fishing and mining, and that it varies over time. The model explains 7% of the variation in ownership concentration, and the results are practically unchanged when we restrict the sample to multiple owner firms (i.e., firms with Herfindahl index < 1). When we estimate the model on large firms in the section to the right in the table, the model explains two to five times more of the variation in ownership concentration. Once more, concentration is higher in nonlisted firms. It also falls with firm size, but less convincingly so in multiple owner firms, where also age no longer relates systematically to concentration.

Overall, we find that regardless of sample restrictions, ownership concentration is highest in nonlisted firms, decreases with firm size, and is mostly higher when the largest owner is a person or a foreigner. Still, ownership concentration is very high in large nonlisted firms. Regulation matters for ownership concentration, as equity fractions that are legally critical for control are more common than other fractions.

7.1.2 Owner types

As already seen from table 7.1.1.1, we separate owners into institutions (financial owners), industrial (non-institutional; non-financial), persons (individuals), state, and foreign (international). Since we miss family data based on kinship and marriage, we cannot tell whether a firm's owners, directors, and officers belong to the same family. We use personal ownership to proxy for family ownership, treating each person as one family. Thus, we will underestimate the true volume of family ownership.

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[51] The results are identical when we instead measure concentration by the direct holding of the largest owner or by the Herfindahl index of ultimate holdings.

According to direct holdings as reported in table 7.S1, persons as a group own on average 76% of the equity. Domestic non-financial firms, who hold 5% in the aggregate, is the second largest type.[52] Half the firms have personal owners, only. This distribution is rather stable over time (table 7.S2), whereas persons hold much less in the energy sector (28%) than elsewhere, and much more in construction (91%) (table 7.S3). Thus, by any criterion, individuals are the dominating owner type in limited liability firms as a whole.

Table 7.S1 shows that personal owners are much less common in large nonlisted firms, but still hold the largest aggregate stake of 29% on average, compared to 25% for foreigners and 13% for industrials. In listed firms, however, industrials are the largest owner type (38%), followed by foreigners (25%), and persons (18%). Thus, the person is the dominating owner type in nonlisted firms except in the largest, and the industrial owner is the most common type in listed firms. Regardless of listing status, the firm is more often owned through intermediaries the larger it is.[53]

Overall, this analysis shows that for firms as a whole, persons are by far the dominating owner type. In large firms, however, and particularly the listed ones, most of the equity is held indirectly through intermediaries.[54]

7.1.3 Inside ownership

Since we have insufficient inside ownership data for listed firms, and since we miss ultimate insider holdings for nonlisted firms, we focus on direct inside ownership in nonlisted firms. The summary tables report equity holdings by insider types, such as all insiders as a group, by ranked insider holdings, such as the largest insider, and by the ranked holding per insider type, such as the frequency by which the largest insider is the chairman.

According to panel B of table 7.S1, officers and directors (i.e., all insiders as a group) own on average 87% of a nonlisted firm's equity. The CEO has simple majority through 54%, which means directors excluding the CEO own 33%. The largest insider holds on average 67% (i.e., just the supermajority). This pattern is stable over time, energy firms have lower insider holdings than other firms, and insider holdings decrease with firm size.

In order to analyze insider holdings more formally and also to allow for multivariate relationships, the regression model in table 7.1.3.1 relates insider ownership in private firms to the largest owner's type, firm size, and firm age. Panel A presents the relationship between insider concentration, size, and age, whereas panel B adds the type of the largest owner as an independent variable. Both panels include unreported industry and year fixed effects as control variables. To ensure that the data is not cut into very small subcategories, which is a problem when we want to control for industry and time effects, we merge institutional owners with the unspecified type, since institutions are very seldom the largest owner in nonlisted firms anyway. The four alternative samples of nonlisted firms are all firms and

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[52] Since this is a corporate governance setting, we consider each ownership structure equally important by equally-weighting across all sample firms to get the mean values. Thus, these average fractions do not reflect the owner types' share of the overall equity wealth in the economy, which would be represented by a value-weighted average.

[53] As expected, first-layer aggregate ownership decreases for persons and increases for corporations if we include subsidiaries. In such a sample, persons in large nonlisted (listed) firms hold on average just 13% (16%) of the stock, compared to 48% (40%) for industrial owners.

[54] Notice that the concept of ultimate owners is rather useless in an owner type setting, as the ultimate owner approach reallocates ownership from intermediary owners to underlying owners, who in principle are persons, only. Thus, in a perfect reallocation from direct (first-layer) to ultimate owners, all firms would be owned 100% by persons. In practice, holdings by the state are never reallocated to the citizens, and we cannot reallocate direct ownership by foreigners in our sample, since we mostly do not know their identity due to the nominee account system.

large firms, which we both analyze with no owner restrictions (i.e., both single and multiple owner firms allowed) and with a multiple owner restriction. The estimates show that insider holdings are consistently higher the smaller the firm, the younger the firm, and when the largest insider is a person.[55] The R^2 rises from about 2-5% in panel A to 30-45% in panel B, reflecting that whereas the firm's size and age are weak predictors of insider holdings, the type of the largest shareholder has considerable explanatory power.

[Table 7.1.3.1]

Overall, this analysis documents that most of the large owners in nonlisted firms are also on the board or the management team (i.e., insiders), and more so when the largest owner is a person, when the firm is small, and when it is young. The largest inside owner mostly controls the stockholder meeting, and the CEO is often the largest stockholder. Thus, the separation between ownership and control is normally non-existent in nonlisted firms, regardless of firm size. Therefore, the first agency problem (conflicts between owners and managers) is negligible, whereas the second (conflicts between large and small owners) is potentially large. This is the opposite situation of what Bøhren and Ødegaard (2006) found for the population of Norwegian listed firms, where insiders hold on average 8% of the equity in their sample, and the largest average insider holds 6%. Thus, listing status makes a big difference for whether or not powerful owners are on the board or on the management team.

7.2 Board composition

We analyze the structure of the board in terms of board size, board turnover (which reflects owner activity), CEO turnover (board activity), CEO-chairman duality (monitoring quality), and director characteristics based on age, gender, and employment (heterogeneity).

Panel A of table 7.S1 shows that the average board in nonlisted firms has 2.3 directors. About one third of the boards have just one director, 5% have at least five, and the largest board has 16 members. In terms of dynamics, 2% of the directors are replaced in a given year on average, and 1% of the firms replace at least half their directors.[56] Around 5% of the firms get a new chairman or a new CEO or both., and the chairman and the CEO are the same person in 54% of the firms.

The average director age is 50 years old, and females are a couple of years younger than males. Two thirds of the boards have only male directors, and the average fraction of female directors is 17%. Board size tends to increase with firm size, the mean rising from 1.92 to 3.43 directors as we move from the lowest to the highest firm size decile. These characteristics are stable, both across industries and over time.

Large nonlisted firms have larger boards than nonlisted firms as a whole (3.9 vs. 2.3 directors), they change their CEO slightly more often (turnover is 0.06 vs. 0.05), and the age difference between men and women is larger (4 years vs. 2 years). Finally, the boards of listed firms differ considerably from those of comparable nonlisted firms. The average board is almost twice as large (6.5 vs. 3.9 directors), CEO turnover is considerably higher (0.17 vs.

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[55] Measuring insider holdings by CEO ownership or by non-CEO director ownership produces the same results.

[56] We define board turnover is 1 minus the ratio of the number of unchanged board members from the last period to the average number of directors during the current period.

0.06), the female directors are two years younger (45.4 vs. 47.6), and the age difference between men and women is three years larger (7 vs. 4 years).[57]

Research has repeatedly shown that board size correlates inversely with performance. In order to better understand the determinants of board size, table 7.2.1 reports the results of estimating a model that regresses board size on listing status, firm size, firm age, ownership concentration, board turnover, director age, the fraction of employee directors, the fraction of female directors, and industry sector. The results are practically identical in all four samples, and the models explain 30-40% of board size variation. The table shows that the board has more directors the larger and older the firm, the lower the ownership concentration, the higher the board turnover, the younger the directors, and the higher the fraction of female directors and employee directors. Being listed per se increases board size**.**

[Table 7.2.1]

Summarizing, most boards are very small, stable over time, homogenous in terms of gender and stakeholder mix (few women and few employee directors), and heterogeneous in terms of age (men are older than women). Larger boards are mostly found in large, old, and listed firms with low ownership concentration. These larger boards tend to have more stockholder-elected directors who are young and female and more employee directors.

7.3 Governance and performance

Section 6.6 shows that nonlisted firms have higher median book return on assets (ROA) than listed firms. This section explores whether this can be explained by the governance mechanisms analyzed in this chapter and by differences in non-governance characteristics like size and age. Table 7.3.1 starts out by documenting distributional properties of the ROA in 2005 for nonlisted firms, listed firms, and large nonlisted firms, respectively. Panel A shows parameters of the unconditional distributions, whereas panels B-E show the median ROA per decile of the largest owner's equity holding, the Herfindahl index of all holdings, the insider ownership, and board size, respectively. Finally, panel F shows median ROA per type of the largest owner.[58]

According to panel A, the median (mean) ROA is 7% (8%) in nonlisted firms as a whole, 8% (11%) in large nonlisted firms, and 5% (5%) in listed firms. Thus, as already documented in section 6.4, nonlisted firms tend to be more profitable than listed firms, particularly when we compare firms of similar size.

[Table 7.3.1]

Panels B and C show the median ROA within each of ten ownership concentration deciles (0-9). The column called "." represents observations with missing data for that variable, the "-1" columns contains the observations with 100% ownership concentration (single-owner firm), and columns 0-9 are the deciles (from lowest to highest concentration) for multiple-owner firms. Empty cells represent deciles that cannot be meaningfully separated from the decile to the right because the ownership characteristic in question has the same

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[57] Norwegian listed firms have very small boards compared to almost any other country. Wymeersch (1998) reports an average board size of 10 in the UK, 12 in France, 10 in Belgium, 12 in Italy, and 7 in the Netherlands. The average size of the German supervisory board is 13 (Hopt, 1998). Carter and Lorsch (2004) find that the average US board has about 12 directors, which is down from 16 in the 1980s.

[58] To reduce the effect of extreme outliers reflected in panel A, panels B-F use ROA observations which are winsorized at the 5%/95% tails.

value in both deciles (such as deciles 4 and 5 for the largest owner of nonlisted firms in panel B). Both panels show that the ROA tends to be convex in ownership concentration for nonlisted firms as a whole, as the ROA peaks around the 9th decile. It is difficult to spot similar patterns in large nonlisted firms and in listed firms.

In panel F, the column headings 0-5 represent unidentified, institutional, personal, state, foreign, and industrial owners, respectively. The figures reflect that the median ROA in nonlisted firms as a whole is highest when the largest owner is a person (7.3%). This is also true for the subsample of large nonlisted firms (8.4%). State owners play this role in listed firms (11.1%), driven by a very small number of recently semi-privatized firms in petroleum and telecom. Insider ownership in panel D, where we must drop listed firms because of weak data, supports the impression from panels B and C that high concentration correlates positively with ROA up to rather high concentration levels (around decile 7), and also that the relationship is diffuse in large nonlisted firms. Finally, panel E documents that for nonlisted firms, the median ROA is highest in the lowest board size decile. The pattern is less clear for listed firms.

Overall, table 7.3.1 suggests that the typical nonlisted firm is more profitable than the typical listed firm, that nonlisted firms with high ownership concentration and high inside ownership are particularly profitable unless concentration becomes excessive and the firm is particularly large, and also that the identity of the largest owner matters for all firm types. Small boards are associated with the highest performance in nonlisted firms.[59]

Table 7.3.2 provides a formal, multivariate test by regressing the firm's ROA on its corporate governance mechanisms, listing status, and controls. The mechanisms we consider are ownership structure (ownership concentration, owner type, and insider ownership), board composition (board size, CEO directorship, female directors, and employee directors), financial policy (leverage and dividends), and listing status. Our governance-independent control variables are firm size, firm age, and industry. Ownership concentration is measured by the holding of the largest owner.[60] To reduce the possibility of reverse causation, we lag the governance variables by one year. We estimate the models separately for all firms, large firms, and small firms. In all three cases, we investigate the potential effect of extreme ownership structures by also estimating the models in the subsample of firms that have at least two owners (multiple-owner firms). The base case model in panel A includes the type of the largest owner, but must ignore insider holdings and listing status, since we have too few listed firms to validly account for all three dimensions in one model. For the same reason, the model in panel B includes insider holdings and listing status, but not the type of the largest owner.

[Table 7.3.2]

Seven relationships stand out. First, and most importantly, after having controlled for differences in ownership structure, board composition, financial policy, firm size, firm age, and industry, nonlisted firms are more profitable than listed firms. The coefficients for the listing status dummies in panel B reflects that the expected ROA is 0.7-0.8 percentage points higher for a nonlisted firm than a comparable listed firm. This is true for the sample of all

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[59] As the sample size per decile for listed firms is very small, the patterns in tables B, C, E, and F should be interpreted with considerable caution for this subsample.

[60] No results change when we alternatively measure ownership concentration by the Herfindahl index or if we use ultimate owners rather than first-layer owners.

nonlisted firms and for large nonlisted firms, and regardless of whether we include or exclude single-owner firms.[61] Thus, listing status per se matters for performance.

The second finding worth noticing is that ROA relates positively to ownership concentration and insider holdings, suggesting that everything else equal, large owners are beneficial. However, there is also a negative coefficient for the quadratic term in both cases, meaning that ROA first increases and then decreases as concentration or insider holdings grows. This result is in line with most of the existing research for listed firms (Gugler, 2001; Becht et al, 2003). However, consistent with the univariate pattern from table 7.3.1, these relationships are mostly not statistically significant for large firms. Thus, the positive, quadratic link between performance and ownership concentration or insider holdings primarily occurs in nonlisted firms that are smaller than most listed firms. The subsample of small nonlisted firms confirms this impression.

Third, panel A shows that having a person (an industrial firm) as the largest owner correlates positively (negatively) with performance in all samples and significantly in all but the sample of large firms with multiple owners (large firms as a whole). This is consistent with the notion that direct monitoring produces lower agency costs than delegated monitoring. It also fits well with recent findings on the excess operating performance of family control in listed firms (Villalonga and Amit, 2006; Maury, 2006).

Fourth, ROA drops as board size grows, although the relationship is less convincing in large firms when we also account for insider ownership (panel B). This suggests that although more directors may increase the board's information pool, the board becomes a less efficient decision-maker. Earlier studies of listed companies in several countries report the same result when measuring performance by market value, which only captures the security benefits (Bøhren and Strøm, 2008). It is still noticeable that the inverse relationship between ROA and board size turns up in our nonlisted firms as well, where the boards are so small. Fifth, ROA is negatively related to our proxies for board diversity (female directors and employee directors), but the relationship is not consistently significant across all samples.

Sixth, the ROA is higher when the CEO is on the board in a large firm. This suggests that the positive skills effect of CEO participation is not offset by weaker monitoring quality from the other directors. The finding is in line with the existing evidence from listed firms of zero or inverse correlation between board independence and market value (Bhagat and Black, 2002). Finally, ROA increases with dividend payout, which is consistent with the agency rationale for distributing a high fraction of the earnings. Findings based on the market value of listed firms are similar (Bøhren and Ødegaard, 2006). The evidence on leverage is diffuse.

Overall, table 7.3.2 documents that key governance mechanisms (ownership structure, board composition, and financial strategy) correlate systematically with performance. There is a quadratic relationship between performance and both ownership concentration and insider holdings except in large firms, where the relationship disappears. Having a person rather than a corporation as the largest owner is associated with higher performance except in large firms. As for board composition, board size relates inversely to performance, board diversity has no clear-cut relationship to performance, and large firms do better when their CEO is also a director. Dividends associate positively with performance in every sample.

The bulk of these findings are in line with earlier studies that mostly measure performance by market value and that only analyze listed firms. Thus, although listing status makes a big difference for the governance structure of nonlisted vs. listed firms (as we showed in sections 7.1 and 7.2), it seems less important for defining what good governance

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[61] Since the sample of small listed firm is so small, we cannot estimate the listing status dummies for small firms in panel B.

amounts to in terms of value-enhancing ownership structures, boards, and financial policies (this section). This is the first new result on the relationship between listing status, governance, and performance.

The second novel result is that after having accounted for how firms differ both in terms of governance mechanisms, industry, size, and age, we find that nonlisted firms have higher performance than listed firms. The excess return is about 0.8 percentage points of ROA. This suggests that listing status per se matters for performance. Is this just due to measurement errors or is there an economic explanation in terms of higher efficiency in nonlisted firms? We do not know yet, but we doubt that measurement error is a major part of the explanation. There are good reasons to believe that the quality of the data set is unusually high. Moreover, the sample size is undoubtedly large, and the models we have used control for a series of potential performance determinants that are firm-specific (governance, age, and size) and industry-specific (industry dummy). Still, we may have ignored performance determinants that correlate with listing status, but not with the explanatory variables in the model.

An alternative explanation is that nonlisted firms have higher ROA simply because they are more capital constrained. That is, the limited access to outside financing prevents the firm from investing in projects that would be profitable under the lower cost of capital faced by a similar listed firm, which is less constrained. This makes the ROA of the marginal investment project higher in nonlisted firms than in listed. Therefore, the nonlisted firm's overall ROA (i.e., the aggregate ROA across all its investment projects) will also be higher.

The other possibility is that nonlisted firms are more efficient. We can think of two reasons why. First, if the first agency problem is generally more costly than the second, net agency costs are higher in listed firms, since this is the firm type where the first agency problem dominates. As the ROA reflects returns after agency costs are paid, listed firms will underperform. Second, it has been argued that unless management is given sufficient time to innovate, develop, and commercialize new ideas, firm value may be destroyed (Stein (1988, 1989), Jacobs (1991), Porter (1992), Bebchuk and Stole (1993)). Fuller and Jensen (2002) argue that capital market participants are partly responsible for this problem, as financial analysts push managers towards meeting unreasonable earnings forecasts by overinvesting in projects with short payback. Since nonlisted firms do not report quarterly earnings, are not priced in the market every day, and have very illiquid ownership rights, they may be less exposed than listed firms to the pressure towards value-destroying short-termism.

Nevertheless, our result is puzzling, since the decision to stay private or go public is endogenous, at least for firms above a certain size, such as the large firm sample in our study. Why do the owners voluntarily take their nonlisted firm public, and why do not the owners of listed firms take it private? Or maybe the fact that very few firms that can go public never do so is evidence that the public form is often inefficient? We think these are interesting questions for future research.

7.4 Summary

This chapter has analyzed the characteristics of the firm's ownership structure and board composition and how these governance mechanisms interact with economic performance. Regardless of what sample we use and what other determinants we control for, ownership concentration is significantly higher when the firm is nonlisted. It is also higher when the largest owner is a person or a foreigner, but decreases with firm size, although even large nonlisted firms which are not subsidiaries have very high ownership concentration. We find that regulation matters for concentration, as the largest owner tends to often hold equity

fractions that are just above rather than just below the legally critical lower bound for control (1/3, 1/2, 2/3). Persons are the dominating owner type by far, although most of the equity in listed firms and large nonlisted firms is held indirectly through other firms. Controlling firms through pyramids of other firms is still rare, at least when we ignore subsidiaries.

Large owners in nonlisted firms are very often on the board or the management team (i.e., insiders), and more so when a small and young firm has a person as the largest owner. Because the largest insider tends to be both the CEO and the majority owner, separation between ownership and control is a non-existent phenomenon. This makes the first agency problem negligible in nonlisted firms, whereas the second is potentially large. The situation is the opposite in listed firms, where the first agency problem dominates because most large owners are relatively small and neither the firm's directors nor officers.

The overwhelming majority of boards are very small, stable over time, and homogenous in terms of gender and stakeholder mix. Larger boards are overrepresented in large, old, and listed firms with low ownership concentration. Such boards tend to have more owner-elected directors who are young and female and more directors chosen by the employees.

We find that except in large firms, operating performance as measured by ROA is higher when some owner has a large stake, and that having a person rather than a corporation as the largest owner is associated with higher performance. Firms with small boards are more profitable except in large firms, board diversity has no clear-cut relationship to performance, and large firms tend to have higher performance when their CEO is also a director. Dividend payout is positively associated with performance in every sample.

These relationships between performance and governance mechanisms grossly correspond to those found earlier for how these governance mechanisms correlate with market value or operating performance in listed firms. Thus, the first remarkable result is that although listing status makes a big difference for how the governance structure looks, it matters much less for how the governance structure interacts with performance. The second finding to notice is that after having controlled for differences in governance, size, age, and industry, we do find that listing status matters for performance. In particular, nonlisted firms outperform otherwise comparable public firms in terms of ROA. We can only speculate what the underlying reasons may be. One possibility is that this happens because nonlisted firms are more capital constrained. A second is that if the first agency problem is more costly than the second, conflicts of interest are more costly in public firms. Another is that since nonlisted firms do not report quarterly earnings, are not continuously priced, and have very illiquid stock, their managers feel less pressure towards value-destroying short-termism. Regardless of explanation, however, the excess performance of nonlisted firms is puzzling, since thousands of firms can voluntarily choose whether to be public or private.

8. Summary and conclusions

Motivation. Existing research on corporate finance and governance has almost exclusively studied firms that are listed on a stock exchange (public firms). This is probably due to the difficulty of collecting data for nonlisted (private) firms about their market value, accounting figures, ownership structure, and board composition. The resulting lack of insight into the economics of nonlisted firms is problematic for two reasons. First, we show that nonlisted firms constitute a much larger share of the overall economy than listed firms, and that this is probably true in most countries. Second, existing evidence from listed firms may not apply to the nonlisted, which are less transparent, cannot use public equity markets, offer less minority stockholder protection, and have very illiquid stock. Also, the lack of a benchmark from nonlisted firms makes it difficult to determine the uniqueness of being listed, and particularly why certain firms choose to go public whereas the vast majority prefer to stay private.

Focus. Our study tries to improve on this situation by building a comprehensive, detailed, and reliable database on the corporate finance and governance characteristics for the population of listed and nonlisted firms with limited liability. This is the CCGR database, which we use to analyze a wide range of corporate finance and governance characteristics and to explore how they relate to operating performance. We cover a wide range of topics in a relatively rough way, using the insight obtained from this first look at the data as a point of departure for studying much more focused questions in the future.

Database. The CCGR database includes every firm with limited liability registered in Norway. It has twelve consecutive years of accounting data and six consecutive years of governance data, involving about 240 items per firm per year. The governance data specifies every equity holding above 5%, the composition of the board, and the identity of the owners, the CEO, and the directors. The firm's credit rating, founding year, and industry are available as well. The regulatory environment is characterized by high investor protection, stronger minority protection in listed firms than nonlisted, and by accounting regulations that mandate comprehensive, audited accounting statements regardless of the firm's listing status and size.

Sample. We study about 77,000 firms per year. The sample only includes active firms and ignores financials and subsidiaries. Service and trade firms jointly account for almost 70% of all firms in the sample. Energy firms represent less than 0.5%, but is still the largest industry by assets and sales. Nonlisted firms comprise 99.8% of the sample.

Relative importance.. Nonlisted firms as a whole are much more significant in the economy than listed firms. They earn in the aggregate four times higher revenues, employ four times more people, and hold twice as much assets. Indirect evidence suggests that this is also the typical case internationally. This makes it even more remarkable that so little is known about the economics of nonlisted firms.

Firm size. Regardless of whether we measure size by sales, assets, or employees, the distribution of firm size in the economy is close to lognormal. This is consistent with Gibrat's law, which shows that independence between growth and size at the firm level implies a lognormal distribution of size in a large set of firms. Although more than two thirds of the listed firms have at least 100 employees and the vast majority of nonlisted firms have much less, there are still about ten times more nonlisted firms with at least 100 employees. For every listed firm, there are typically 30 nonlisted firms of similar size.

Asset structure. Nonlisted firms have more liquid assets. The average nonlisted firm invests to just offset depreciation, whereas listed firms invest considerably more. Nevertheless, sales growth and earnings growth are quite independent of listing status,

suggesting that the marginal value of real investments is higher in nonlisted firms. Possibly, nonlisted firms may be underinvesting because they cannot access public equity markets and may also have to pay more for their debt.

Financial strategy. Both financial leverage and the debt structure vary with listing status. Nonlisted firms finance their assets with considerably more debt, which may be partially due to the unavailability of public equity. They also use debt with shorter duration, which may be driven by asset-liability matching or larger information asymmetry between borrowers and lenders. Regardless of listing status, firms use more debt when they are small, grow quickly, and have low profitability. A nonlisted firm distributes a much higher fraction of its earnings than a listed firm. This may reflect that nonlisted firms have owners with stronger dividend preferences or that nonlisted firms pay higher dividends to reduce the conflict of interest between majority and minority owners (i.e., the second agency problem). Regardless of listing status, less earnings is retained by small, old, unprofitable, and slow-growing firms.

Ownership structure. Ownership concentration is much higher in nonlisted firms, and highest when the largest owner is a person or a foreigner. Concentration decreases with firm size, but even large nonlisted firms have very concentrated ownership. Persons hold by far most of the equity except in listed firms, where corporate owners dominate. Ownership control through pyramids is uncommon, but equity fractions that are legally critical for control (i.e., 1/3, 1/2, and 2/3) are more often observed than other holdings.

Board composition. Large owners of nonlisted firms are very often their officers or directors or both (i. e., insiders), particularly when small, young firms have a person as the largest owner. Because the largest insider is often both the CEO and the majority owner, ownership seldom separates from control in nonlisted firms. This makes the first agency problem negligible (i.e., the conflict of interest between owners and managers), but the second potentially large (conflicts between large and small owners). The situation is just the opposite in listed firm, where the first agency problem dominates because most large owners are neither officers nor directors. The overwhelming majority of boards are very small, stable over time, and homogenous in terms of gender mix and stakeholder types. Larger boards are typically found in large, old, listed firms with low ownership concentration. Such boards have more directors who are young and female and also more employee-elected directors.

Economic performance. After having accounted for a series of governance mechanisms and control variables, we find that nonlisted firms tend to have higher operating performance as measured by accounting return on assets (ROA) than listed firms. The ROA is also higher when personal ownership is high, the board is small, the CEO is a voting member, and when firms pay high dividends relative to earnings. This evidence suggests that personal ownership reduces agency costs more than ownership through intermediaries, that good boards are small, and that paying the free cash flow out of the firm reduces agency costs and improves the liquidity of the owners' wealth. More importantly, these findings also suggest that listing status matters not only for behavior in terms of corporate governance and finance, but also for the ability to create economic value. At this stage, we can only speculate why this happens. One possibility is that nonlisted firms have higher ROA because they are more capital constrained. Another is that the agency conflict between owners and managers is more costly than the conflict between large and small owners. Also, since nonlisted firms do not report quarterly earnings, are not continuously priced, and have very illiquid stock, they may feel less pressure towards value-destroying short-termism. Still, the excess performance of nonlisted firms is puzzling, since thousands of our sample firms can voluntarily choose whether to be public or private. We think this is an exciting challenge for future research on the corporate finance and governance of nonlisted firms.

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Table 4.1. Sample construction from the population of all firms with limited liability

A. Filters for all firms

Nr.	Filtering	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	Mean
	No filter	99,379	105,659	111,380	119,100	127,082	131,041	145,656	149,468	153,912	155,996	158,259	182,689	136,635
1	Orgtype	99,224	105,363	111,077	118,810	126,831	130,817	136,140	138,745	141,146	141,991	144,426	157,710	129,357
2	1+S>0	91,989	97,888	103,424	109,866	118,519	122,452	127,626	130,385	132,443	132,254	133,365	141,133	120,112
3	2+A>0	91,468	97,358	102,864	109,296	117,956	121,805	127,011	129,856	131,903	131,752	132,943	140,719	119,578
4	3+BAL≥0	89,514	95,465	100,889	107,220	115,875	119,727	124,869	127,608	129,630	129,468	130,731	138,101	117,425
5	4+CE≤CA	89,490	95,425	100,834	107,114	115,703	119,612	124,736	127,389	129,412	129,217	130,494	137,853	117,273
6	5+WC≤A	89,490	95,425	100,834	107,114	115,703	119,612	124,736	127,389	129,412	129,217	130,494	137,853	117,273
7	6+EmplAvg	67,006	72,513	77,683	83,931	90,835	94,618	98,278	99,954	101,307	101,795	102,775	103,760	91,205
8	7+EmplYr	67,006	72,513	75,373	83,906	90,831	84,707	87,284	88,042	89,348	89,571	90,731	103,760	85,256
	Sample candidates	67,006	74,055	79,449	86,346	93,240	94,478	96,976	98,035	99,192	100,045	101,677	103,760	91,188
	Ex financial firms	66,469	73,332	78,633	85,431	92,226	93,419	95,855	96,877	98,020	98,860	100,507	102,607	90,186
	Sample	59,170	65,050	69,362	74,875	80,191	80,682	81,998	81,699	83,319	83,297	84,911	82,569	77,260

B. Filters for public firms

Nr.	Filtering	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	Mean
	No filter	116	142	148	187	207	190	188	181	176	157	165	186	170
1	Orgtype	116	130	135	173	188	170	166	159	155	137	145	165	153
2	1+S>0	106	130	135	173	188	168	165	157	154	136	145	165	152
3	2+A>0	106	130	135	173	188	168	165	157	154	136	145	165	152
4	3+BAL≥0	105	130	134	173	186	165	165	157	152	132	143	163	150
5	4+CE≤CA	105	130	134	173	186	165	165	157	152	132	143	163	150
6	5+WC≤A	105	130	134	173	186	165	165	157	152	132	143	163	150
7	6+EmplAvg	103	128	133	168	182	164	164	156	152	132	143	158	149
8	7+EmplYr	103	128	133	168	182	164	164	156	152	132	143	158	149
	Sample candidates	103	128	134	168	184	168	165	157	153	136	143	158	150
	Ex financial firms	100	112	120	154	169	154	152	146	142	126	133	147	138
	Sample	100	112	120	154	169	154	147	140	132	117	127	134	134

This table reports the filters used to construct the sample of Norwegian firms with limited liability over the period 1994-2005. The "Orgtype" line reports the number of all limited liability firms (*AS* and *ASA* firms) in the Norwegian economy. The "S" filter requires sales (operating income) >0, "A" requires total assets >0, "EMAvg" requires that employees in any year (even two years before or after the firm is in the sample) is positive, and "EMYr" requires that the employee figure is missing or positive for a nonlisted firm. "BAL" denotes a set of main balance sheet items, for which non-negativity is enforced. "CE" denotes cash equivalents, "CA" is current assets, and "WC" denotes working capital. We keep a company in the sample between the first and the last year it passes all filters (sample candidates). We exclude financial sector firms and also subsidiaries (the last line). A subsidiary is a firm where another firm holds more than 50% of its equity.

Table 4.2. Aggregate size per industry sector

Sector	Sector label	Firms	Sales	Assets	Employees
0	Missing	922	13	18	15
1	Agriculture, forestry, fishing, mining	1,671	29	46	16
2	Manufacturing, chemical products	6,822	605	648	264
3	Energy	337	681	808	50
4	Construction	8,740	128	65	98
5	Service	37,874	551	741	437
7	Trade	17,970	418	198	159
8	Transport	3,746	136	193	117
9	Multisector	4,487	63	54	47
		82,569	2,624	2,770	1,203

This table shows measures of aggregate size across industry sectors for the sample of Norwegian limited liability firms in 2005 as specified in table 4.1. All firms are classified into industry sectors according to their NAIC industry codes as defined in Appendix 4.A2. Employees are in thousands, whereas sales and assets are in billions of NOK as of year-end 2005.

Table 5.1. The relative significance of firms with limited liability in the Norwegian economy

Year	Sales/GNP	Assets/GNP	Employees	GNP
1994	48%	43%	1,060	2,881
1995	51%	45%	1,119	3,003
1996	51%	45%	1,152	3,306
1997	54%	51%	1,212	3,460
1998	57%	61%	1,272	3,364
1999	51%	63%	1,308	3,816
2000	52%	61%	1,339	4,267
2001	51%	60%	1,269	4,100
2002	53%	64%	1,255	4,114
2003	51%	58%	1,280	4,229
2004	53%	56%	1,296	4,665
2005	50%	52%	1,203	5,295
Mean, all	52%	55%	1,230	3,875
Mean, nonlisted	40%	38%	960	
Mean, listed	11%	17%	270	

This table presents aggregate size measures for Norwegian firms with limited liability over the sample period 1994-2005. "GNP" (Gross national product) is in billions of 2005 NOK, and "Employees" are in thousands. The "Employees" figures for firms with subsidiaries are from their consolidated accounting statements, provided their consolidated assets are never less than 85% of their nonconsolidated assets. Missing or zero values are filled in with the next available value, or with the previous available value if no later value is available. The sample selection procedure is explained in table 4.1.

Table 5.2. The relative significance of nonlisted firms in the Norwegian economy

Year	Sales	Assets	Employees	Firms
1994	84%	72%	75%	99.8%
1995	84%	72%	75%	99.8%
1996	85%	73%	74%	99.8%
1997	85%	74%	73%	99.8%
1998	85%	74%	74%	99.8%
1999	85%	76%	78%	99.8%
2000	82%	72%	80%	99.8%
2001	70%	63%	81%	99.8%
2002	71%	59%	83%	99.8%
2003	71%	67%	82%	99.9%
2004	68%	66%	80%	99.9%
2005	66%	64%	81%	99.8%
Mean	78%	69%	78%	99.8%

This table presents the aggregate size of nonlisted firm as a percentage of all firms with limited liability in Norway from 1994 to 2005. The "Employees" figures for firms with subsidiaries are from their consolidated accounting statements, provided their consolidated assets are never less than 85% of their nonconsolidated assets. Missing or zero values are filled in with the next available value, or with the previous available value if no later value is available. The sample selection procedure is explained in table 4.1.

Table 5.3. Stock market capitalization of listed firms relative to GDP

A. European Union

	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	Mean
Slovak Republic	7	6	10	9	4	5	6	7	8	9	11	9	8
Bulgaria		0	0	0	8	5	5	4	5	9	12	19	6
Latvia		0	3	6	6	5	7	8	8	10	12	16	7
Romania	0	0	0	2	2	2	3	5	10	9	16	21	6
Lithuania		2	11	17	10	11	14	10	10	19	29	32	15
Poland	3	3	5	8	12	18	18	14	15	17	28	31	14
Slovenia	4	2	3	8	12	10	13	14	21	25	30	23	14
Czech Republic	14	28	30	23	20	20	20	15	22	19	29	31	23
Hungary	4	5	12	33	30	34	26	20	20	20	29	30	22
Estonia				22	9	32	34	25	35	41	55	27	31
Portugal	18	17	22	37	56	58	57	42	35	40	44	39	39
Norway	**29**	**30**	**36**	**42**	**31**	**40**	**39**	**41**	**35**	**43**	**57**	**67**	**41**
Malta	2	5	14	14	22	53	53	36	33	38	53	74	33
Germany	22	23	28	38	50	67	67	57	34	44	44	44	43
Italy	18	19	21	30	48	62	71	48	41	42	47	46	41
Denmark	36	31	39	55	57	61	68	56	45	58	63	70	53
Ireland		39	48	62	77	72	86	73	50	56	63	58	62
Greece	15	15	19	28	66	170	99	74	52	62	61	68	61
Spain	30	33	39	50	66	69	87	77	68	82	90	85	65
France	33	33	38	47	67	101	109	88	66	76	91	81	69
Belgium	36	38	44	56	98	74	80	73	52	57	218	90	76
Sweden	61	72	91	110	112	149	137	108	74	96	109	114	103
Netherlands	81	86	92	124	153	174	173	119	96	95	107	122	119
Finland	38	34	49	60	119	273	245	157	105	105	99	108	116
Luxembourg	186	168	180	194	187	180	174	121	115	138	157	152	163
United Kingdom	116	124	146	151	167	201	179	151	119	137	133	139	147
Mean	38	34	40	48	59	76	73	56	46	52	65	61	54
Median	26	26	29	37	50	61	67	48	35	43	55	46	44

B. World

	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	Mean
High income	63	68	76	90	107	135	118	103	82	99	109	113	97
Middle income	33	31	34	31	25	40	37	34	31	41	43	50	36
Low income	33	28	26	25	20	30	24	19	22	37	44	55	30
Mean	39	36	38	38	42	54	47	41	38	46	55	61	45
Median	25	21	22	23	22	33	26	23	24	28	31	37	26

This table shows market capitalization of listed companies as a percentage of the country's GDP. Market capitalization is calculated as the product of the share price and the number of shares outstanding in companies that are domestically incorporated and listed on the country's stock exchanges at the end of the year. We exclude investment companies, mutual funds, or other collective investment vehicles. The data source is the World Development Indicators database from the World Bank. The world mean and median values per year are calculated for those countries (out of a maximum of 102) which reported the data in a particular year.

Table 6.S1. Corporate finance: Descriptive statistics for 2005

Panel A. All firms

		n	mean	std	skew.	kurt.	med.	mode	p0	p0_25	p1	p5	p10	p25	p50	p75	p90	p95	p99	p99_5	p99_75	p99_99	p100
Size	Total Assets	82569	33.55	1436.51	150	26042	1.80	0.19	0.00	0.01	0.04	0.17	0.29	0.68	1.80	5.11	15.65	35.89	248.76	611.41	1378.67	28239.00	284828.00
	Employees	82569	14.57	293.65	89	9419	3.00	1.00	0.00	0.00	0.00	0.00	1.00	1.00	3.00	7.00	16.00	27.00	117.00	242.00	510.00	11817.00	38780.00
	Sales	82569	31.78	1587.93	204	47697	2.74	0.00	0.00	0.00	0.01	0.10	0.28	0.94	2.74	7.77	22.47	44.96	235.01	514.56	1155.55	25797.00	393718.00
Growth	Growth of Assets	74281	1.87	36.73	104	13140	1.02	1.00	-123.50	0.05	0.17	0.50	0.67	0.87	1.02	1.25	1.71	2.32	6.72	12.83	27.77	1614.14	6006.00
	Growth of Sales	73789	11.68	1001.62	152	25381	1.05	1.00	-82.00	0.00	0.03	0.35	0.63	0.90	1.05	1.25	1.82	2.90	13.14	31.00	78.87	17763.60	187565.50
	Growth of NOI	73124	0.38	241.48	-194	52221	0.66	1.00	-59682.00	-104.00	-30.50	-4.96	-1.90	-0.13	0.66	1.50	3.53	7.20	37.00	68.00	117.33	930.00	23243.33
Asset Structure	Current Assets (CA)	82569	12.05	398.54	142	23311	1.03	0.00	0.00	0.00	0.01	0.07	0.15	0.38	1.03	2.87	8.39	18.57	120.12	257.66	508.20	8484.00	73338.00
	Cash and Others	82569	3.05	82.53	98	11556	0.27	0.00	0.00	0.00	0.00	0.00	0.02	0.08	0.27	0.85	2.43	5.05	26.13	57.89	125.42	3837.26	12379.00
	Inventory	82569	2.12	86.36	140	21184	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.37	1.60	3.38	19.55	41.29	84.97	1209.96	14553.00
	Investment (I)	57782	4.33	321.43	128	17676	0.02	0.00	-5267.61	-10.72	-2.10	-0.12	0.00	0.00	0.02	0.20	0.94	2.47	18.88	45.16	112.36	6904.00	49712.00
	Working Capital (WC)	82569	1.93	135.40	-82	15259	0.18	0.10	-22903.00	-29.53	-6.37	-1.14	-0.48	-0.04	0.18	0.76	2.73	6.54	40.64	87.64	175.40	2140.25	10075.00
	Assets to Empl.	76521	2.89	53.55	140	25257	0.48	0.19	0.00	0.01	0.03	0.08	0.12	0.23	0.48	1.04	2.81	6.43	34.99	64.75	123.26	1557.66	10808.73
	Sales to Empl.	76521	1.90	25.38	179	37429	0.88	0.00	0.00	0.00	0.01	0.09	0.21	0.47	0.88	1.59	3.01	4.75	14.47	25.84	43.22	447.70	5747.67
	CA to Assets	82569	0.68	0.31	-1	-1	0.79	1.00	0.00	0.00	0.01	0.07	0.17	0.46	0.79	0.95	1.00	1.00	1.00	1.00	1.00	1.00	1.00
	WC to Assets	82569	-0.29	30.41	-222	55793	0.15	1.00	-7900.00	-15.10	-3.27	-0.64	-0.32	-0.03	0.15	0.36	0.57	0.70	0.95	0.99	1.00	1.00	1.00
	I. to Dpr. Assets (DA)	57782	1.44	29.86	104	14279	0.02	0.00	-38.50	-0.94	-0.76	-0.16	-0.01	0.00	0.02	0.36	1.40	3.18	18.03	35.18	64.85	1375.00	4835.00
Inv.	Depreciation to DA	57782	0.34	1.20	50	3429	0.24	0.00	-2.26	0.00	0.00	0.01	0.03	0.11	0.24	0.39	0.61	0.81	1.87	2.90	4.83	63.00	110.29
	IDA (A>10mill. NOK)	10471	2.08	34.05	38	1663	0.09	0.00	-13.80	-0.97	-0.83	-0.16	-0.01	0.00	0.09	0.43	1.27	2.82	20.93	50.91	116.75	1646.76	1701.20
Capital Structure	Total Debt	82569	21.36	922.63	153	28086	1.35	0.00	0.00	0.01	0.09	0.19	0.49	1.35	3.79	10.84	23.62	150.73	357.51	758.73	19195.98	192396.00
	Current Debt (CD)	82569	10.12	443.28	160	30539	0.79	0.00	0.00	0.00	0.00	0.05	0.11	0.30	0.79	2.13	5.94	12.35	75.28	171.10	385.40	10674.00	96241.00
	CD to Total Debt	82201	0.73	0.32	-1	-1	0.90	1.00	0.00	0.00	0.01	0.08	0.18	0.49	0.90	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.40
	Debt to Assets	82569	1.42	34.41	169	35322	0.77	0.00	0.00	0.00	0.02	0.22	0.36	0.58	0.77	0.90	1.16	1.64	5.71	11.78	26.94	894.00	7901.00
Pay-out	Dividends	82569	1.00	80.89	160	30714	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.20	2.81	6.71	19.50	1943.00	17756.00
	Dividend Payout	82161	0.08	4.71	261	73662	0.00	0.00	-867.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.41	1.02	1.21	1.64	21.13	4099.50
Profitability	Net oper. Inc. (NOI)	82569	2.76	143.12	169	35339	0.10	0.00	-848.00	-10.81	-2.70	-0.48	-0.21	-0.02	0.10	0.44	1.37	2.96	18.28	46.36	101.14	3647.00	32774.00
	Equity	82569	12.19	530.50	141	22586	0.36	0.10	-1273.53	-6.75	-2.24	-0.44	-0.13	0.10	0.36	1.16	4.26	11.39	97.23	232.81	595.20	8412.89	92432.00
	Return on Assets	82569	0.08	14.93	247	68024	0.07	0.00	-847.44	-6.50	-1.74	-0.40	-0.17	0.00	0.07	0.18	0.32	0.43	0.79	1.23	2.29	133.00	4085.00
	Return on Equity	82502	0.41	16.35	189	47327	0.31	0.00	-621.00	-25.25	-6.69	-1.12	-0.39	0.02	0.31	0.67	1.13	2.08	7.27	13.86	28.56	260.00	4085.00
	Firm Age	82569	12.87	12.56	3	15	10.00	8.00	1.00	1.00	1.00	1.00	2.00	5.00	10.00	17.00	25.00	34.00	71.00	83.00	90.00	136.00	164.00

This table presents distributions of corporate finance variables in 2005 for the population of all Norwegian firms with limited liability that pass our filters as defined in table 4.1. The corporate finance variables are defined in Appendix 6.A1. Except for employees and ratios, all variables are in million NOK as of 2005. The dividend payout ratio reflects both paying and non-paying firms.

Table 6.S1. Corporate finance: Descriptive statistics for 2005

Panel B. Nonlisted firms

		n	mean	std	skew.	kurt.	med.	mode	p0	p0_25	p1	p5	p10	p25	p50	p75	p90	p95	p99	p99_5	p99_75	p99_99	p100
Size	Total Assets	82435	21.38	464.75	116	19492	1.79	0.19	0.00	0.01	0.04	0.17	0.28	0.68	1.79	5.07	15.37	34.54	221.81	497.11	984.48	17798.00	90854.00
	Employees	82435	11.88	193.13	102	12489	3.00	1.00	0.00	0.00	0.00	0.00	1.00	1.00	3.00	7.00	15.00	27.00	105.00	202.00	411.00	6113.00	27558.00
	Sales	82435	20.85	343.55	79	8188	2.73	0.00	0.00	0.00	0.01	0.10	0.28	0.94	2.73	7.74	22.19	43.99	215.42	447.67	968.55	16328.64	43656.25
Growth	Growth of Assets	74159	1.88	36.76	104	13119	1.02	1.00	-123.50	0.05	0.17	0.50	0.67	0.87	1.02	1.25	1.71	2.32	6.72	12.84	27.77	1614.14	6006.00
	Growth of Sales	73667	11.69	1002.44	152	25339	1.05	1.00	-82.00	0.00	0.03	0.35	0.63	0.90	1.05	1.25	1.82	2.90	13.08	30.92	77.83	17763.60	187565.50
	Growth of NOI	73002	0.38	241.68	-194	52135	0.66	1.00	-59682.00	-104.00	-30.50	-4.96	-1.90	-0.13	0.66	1.50	3.53	7.20	36.88	68.00	117.33	930.00	23243.33
Asset Structure	Current Assets (CA)	82435	8.54	115.98	61	5282	1.03	0.00	0.00	0.00	0.01	0.07	0.14	0.38	1.03	2.85	8.25	18.02	105.54	217.11	413.06	5357.00	14656.70
	Cash and Others	82435	2.36	48.62	87	9239	0.27	0.00	0.00	0.00	0.00	0.00	0.02	0.08	0.27	0.85	2.40	4.91	23.27	45.80	87.19	2266.20	6758.63
	Inventory	82435	1.39	17.41	58	5106	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.37	1.58	3.33	18.65	36.13	74.98	836.92	2258.35
	Investment (I)	57661	1.56	68.17	57	7376	0.02	0.00	-5267.61	-9.92	-2.08	-0.12	0.00	0.00	0.02	0.19	0.92	2.39	16.41	37.32	85.60	2557.75	7561.41
	Working Capital (WC)	82435	1.78	85.02	-110	25774	0.18	0.10	-18017.54	-27.41	-6.27	-1.13	-0.47	-0.04	0.18	0.76	2.69	6.33	35.73	75.24	142.38	1500.10	7620.77
	Assets to Empl.	76387	2.80	52.64	147	27049	0.47	0.19	0.00	0.01	0.03	0.08	0.12	0.23	0.47	1.04	2.80	6.39	34.47	62.99	119.77	1491.85	10808.73
	Sales to Empl.	76387	1.88	24.93	187	40136	0.88	0.00	0.00	0.00	0.01	0.09	0.21	0.47	0.88	1.59	3.00	4.74	14.45	25.70	43.15	425.87	5747.67
	CA to Assets	82435	0.68	0.31	-1	-1	0.79	1.00	0.00	0.00	0.01	0.07	0.17	0.46	0.79	0.95	1.00	1.00	1.00	1.00	1.00	1.00	1.00
	WC to Assets	82435	-0.29	30.43	-221	55702	0.15	1.00	-7900.00	-15.10	-3.28	-0.64	-0.32	-0.03	0.15	0.36	0.57	0.70	0.95	0.99	1.00	1.00	1.00
	I. to Dpr. Assets (DA)	57661	1.43	29.86	104	14309	0.02	0.00	-38.50	-0.94	-0.76	-0.16	-0.01	0.00	0.02	0.35	1.39	3.17	18.00	35.16	64.65	1375.00	4835.00
Inv.	Depreciation to DA	57661	0.34	1.19	51	3552	0.24	0.00	-2.26	0.00	0.00	0.01	0.03	0.11	0.24	0.39	0.61	0.81	1.86	2.88	4.81	63.00	110.29
	IDA (A>10mill. NOK)	10350	2.05	34.10	38	1673	0.09	0.00	-13.80	-0.97	-0.82	-0.16	-0.01	0.00	0.09	0.42	1.25	2.77	20.81	50.17	116.75	1646.76	1701.20
Capital Structure	Total Debt	82435	13.96	313.52	98	12777	1.34	0.00	0.00	0.00	0.01	0.09	0.19	0.49	1.34	3.77	10.69	23.04	135.75	294.61	600.03	14033.16	50859.00
	Current Debt (CD)	82435	6.76	140.53	94	11468	0.79	0.00	0.00	0.00	0.00	0.05	0.11	0.30	0.79	2.11	5.86	12.00	66.86	143.56	310.21	5528.82	22566.62
	CD to Total Debt	82067	0.73	0.32	-1	-1	0.90	1.00	0.00	0.00	0.01	0.08	0.18	0.49	0.90	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.40
	Debt to Assets	82435	1.42	34.44	169	35265	0.77	0.00	0.00	0.00	0.02	0.22	0.37	0.58	0.77	0.90	1.16	1.64	5.72	11.78	26.94	894.00	7901.00
Pay-out	Dividends	82435	0.71	48.58	128	18086	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.20	2.74	6.12	16.63	616.67	7900.00
	Dividend Payout	82027	0.08	14.72	261	73542	0.00	0.00	-867.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.41	1.02	1.20	1.64	21.13	4099.50
Profitability	Net oper. Inc. (NOI)	82435	1.78	55.39	96	11438	0.10	0.00	-371.34	-9.57	-2.58	-0.47	-0.21	-0.02	0.10	0.43	1.35	2.90	16.40	39.26	84.93	2486.70	8097.71
	Equity	82435	7.41	179.80	146	30183	0.35	0.10	-1273.53	-6.75	-2.24	-0.44	-0.13	0.10	0.35	1.15	4.17	10.91	81.53	184.12	425.09	6101.26	39994.00
	Return on Assets	82435	0.08	14.94	246	67914	0.07	0.00	-847.44	-6.50	-1.75	-0.40	-0.17	0.00	0.07	0.18	0.32	0.43	0.79	1.23	2.29	133.00	4085.00
	Return on Equity	82368	0.42	16.36	189	47250	0.31	0.00	-621.00	-25.33	-6.72	-1.12	-0.39	0.02	0.31	0.67	1.13	2.08	7.30	13.88	28.64	260.00	4085.00
	Firm Age	82435	12.84	12.47	3	15	10.00	8.00	1.00	1.00	1.00	1.00	2.00	5.00	10.00	17.00	25.00	34.00	70.00	82.00	90.00	133.00	164.00

This table presents distributions of corporate finance variables in 2005 for the population of nonlisted Norwegian firms with limited liability that pass our filters as defined in table 4.1. The corporate finance variables are defined in Appendix 6.A1. Except for employees and ratios, all variables are in million NOK as of 2005. The dividend payout ratio reflects both paying and non-paying firms.

Table 6.S1. Corporate finance: Descriptive statistics for 2005

Panel C. Large nonlisted firms

		n	mean	std	skew.	kurt.	med.	mode	p0	p0_25	p1	p5	p10	p25	p50	p75	p90	p95	p99	p99_5	p99_75	p99_99	p100
Size	Total Assets	4122	307.62	2029.07	27	1055	45.29	31.49	1.32	2.44	3.77	6.91	11.51	22.43	45.29	124.77	408.98	861.35	4486.30	9896.59	14843.93	90854.00	90854.00
	Employees	4122	124.61	730.34	24	713	33.00	1.00	0.00	0.00	1.00	3.00	6.00	15.00	33.00	76.00	184.00	370.00	1516.00	2573.00	3816.00	25057.00	25057.00
	Sales	4122	313.70	1506.50	18	426	86.99	52.64	43.99	44.15	44.39	46.20	48.70	57.85	86.99	173.26	447.67	968.55	3693.41	7611.84	15251.04	43656.25	43656.25
Growth	Growth of Assets	3784	2.72	61.73	49	2529	1.09	.	0.02	0.35	0.53	0.76	0.86	0.98	1.09	1.26	1.55	1.96	4.45	6.72	13.98	3392.61	3392.61
	Growth of Sales	3779	141.81	4326.55	36	1417	1.10	.	0.08	0.33	0.57	0.83	0.92	1.00	1.10	1.26	1.64	2.44	16.57	114.65	2107.97	187565.50	187565.50
	Growth of NOI	3764	6.99	405.90	49	2886	1.04	0.17	-7161.00	-124.29	-24.31	-3.04	-0.75	0.39	1.04	1.81	3.83	7.25	36.30	93.76	223.39	23243.33	23243.33
Asset Structure	Current Assets (CA)	4122	116.06	448.29	12	182	29.68	7.04	0.09	1.81	2.74	5.68	8.38	15.92	29.68	68.73	193.74	381.27	1587.48	2997.10	4329.58	9286.00	9286.00
	Cash and Others	4122	30.18	213.55	20	484	5.02	0.00	0.00	0.00	0.00	0.22	0.47	1.57	5.02	13.95	39.37	79.76	399.93	699.60	1880.14	6758.63	6758.63
	Inventory	4122	19.51	75.31	13	276	3.48	0.00	0.00	0.00	0.00	0.00	0.00	0.14	3.48	12.84	35.51	73.94	295.00	427.00	627.20	2258.35	2258.35
	Investment (I)	3834	19.29	263.27	15	493	0.71	0.00	-5267.61	-248.89	-26.62	-0.86	-0.01	0.09	0.71	4.15	19.48	52.48	360.63	700.30	1741.00	7561.41	7561.41
	Working Capital (WC)	4122	20.44	376.57	-25	1343	6.70	4.40	-18017.54	-1218.71	-180.90	-12.80	-3.07	1.06	6.70	19.23	60.24	122.18	672.89	1123.75	1337.28	7620.77	7620.77
	Assets to Empl.	4089	13.71	128.49	39	1925	1.29	0.75	0.04	0.07	0.12	0.27	0.39	0.68	1.29	2.89	9.00	31.21	279.77	423.14	766.31	6793.00	6793.00
	Sales to Empl.	4089	11.60	106.96	44	2199	2.91	2.96	0.01	0.19	0.37	0.74	1.02	1.65	2.91	5.60	16.23	38.81	134.16	213.68	360.38	5747.67	5747.67
	CA to Assets	4122	0.70	0.26	-1	0	0.78	1.00	0.00	0.02	0.06	0.18	0.29	0.53	0.78	0.92	0.97	0.99	1.00	1.00	1.00	1.00	1.00
	WC to Assets	4122	0.18	0.23	0	5	0.16	0.47	-2.45	-0.57	-0.40	-0.15	-0.06	0.05	0.16	0.31	0.46	0.56	0.79	0.88	0.97	1.00	1.00
	I. to Dpr. Assets (DA)	3834	1.10	10.17	29	1063	0.16	0.00	-13.80	-0.92	-0.69	-0.12	0.00	0.03	0.16	0.47	1.17	2.17	15.86	32.55	61.35	441.14	441.14
Inv.	Depreciation to DA	3834	0.41	2.75	30	1020	0.24	0.00	-2.26	0.00	0.01	0.04	0.06	0.11	0.24	0.39	0.60	0.75	2.00	3.17	4.59	110.29	110.29
	IDA (A>10mill. NOK)	3542	1.13	10.55	28	994	0.16	0.00	-13.80	-0.92	-0.69	-0.12	0.00	0.03	0.16	0.47	1.18	2.14	16.52	32.67	63.61	441.14	441.14
Capital Structure	Total Debt	4122	199.42	1360.89	23	702	30.26	19.26	0.00	0.98	2.59	5.12	8.06	15.28	30.26	79.81	250.88	536.35	2799.00	5577.00	8431.00	50859.00	50859.00
	Current Debt (CD)	4122	95.62	580.13	23	691	20.53	5.12	0.00	0.32	1.93	4.27	6.00	10.63	20.53	46.13	131.01	286.05	1308.90	2418.35	3607.12	22566.62	22566.62
	CD to Total Debt	4120	0.73	0.27	-1	0	0.82	1.00	0.00	0.02	0.05	0.19	0.30	0.54	0.82	0.98	1.00	1.00	1.00	1.00	1.00	1.00	1.00
	Debt to Assets	4122	0.72	0.26	8	258	0.75	0.90	0.00	0.01	0.13	0.31	0.42	0.60	0.75	0.86	0.92	0.97	1.18	1.32	1.53	8.80	8.80
Pay-out	Dividends	4122	12.82	216.78	29	904	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	4.09	13.00	121.30	260.00	554.00	7900.00	7900.00
	Dividend Payout	4111	0.17	0.69	5	315	0.00	0.00	-17.57	-0.01	0.00	0.00	0.00	0.00	0.00	0.00	0.76	0.99	1.71	2.99	4.16	19.21	19.21
Profitability	Net oper. Inc. (NOI)	4122	27.17	240.61	23	627	2.86	0.00	-371.34	-119.69	-35.48	-3.88	-0.45	0.73	2.86	8.42	30.81	78.34	434.73	685.26	1273.75	8097.71	8097.71
	Equity	4122	108.20	785.30	34	1640	11.38	0.10	-1273.53	-29.69	-6.24	0.47	1.20	3.74	11.38	38.66	132.59	308.37	2087.08	2852.75	5884.00	39994.00	39994.00
	Return on Assets	4122	0.11	0.32	37	1783	0.08	0.00	-1.99	-0.42	-0.24	-0.05	0.00	0.00	0.08	0.14	0.23	0.31	0.59	0.85	0.98	16.76	16.76
	Return on Equity	4122	0.35	2.79	-9	731	0.27	0.00	-93.25	-9.00	-1.95	-0.35	-0.03	0.10	0.27	0.57	0.94	1.44	3.66	5.85	9.49	85.83	85.83
	Firm Age	4122	19.26	17.55	2	7	15.00	8.00	1.00	1.00	1.00	3.00	4.00	8.00	15.00	23.00	40.00	50.00	90.00	102.00	108.00	129.00	129.00

This table presents distributions of corporate finance variables in 2005 for the population of large nonlisted Norwegian firms with limited liability that pass our filters as defined in table 4.1. Large nonlisted firms are the 5% largest nonlisted firms by sales. The corporate finance variables are defined in Appendix 6.A1. Except for employees and ratios, all variables are in million NOK as of 2005. The dividend payout ratio reflects both paying and non-paying firms.

Table 6.S1. Corporate finance: Descriptive statistics for 2005

Panel D. Listed firms

		n	mean	std	skew.	kurt.	med.	mode	p0	p0_25	p1	p5	p10	p25	p50	p75	p90	p95	p99	p99_5	p99_75	p99_99	p100
Size	Total Assets	134	7522.41	33024.31	7	50	638.12		17.96	17.96	44.37	79.68	119.32	227.18	638.12	2299.94	7239.81	20770.00	217697.00	284828.00	284828.00	284828.00	284828.00
	Employees	134	1669.14	5258.55	6	34	248.00	19.00	1.00	1.00	2.00	5.00	19.00	59.00	248.00	944.00	3122.00	5455.00	35816.00	38780.00	38780.00	38780.00	38780.00
	Sales	134	6754.74	38034.66	9	84	271.06		0.31	0.31	0.43	2.34	8.56	48.19	271.06	1526.87	4196.13	14695.60	176224.00	393718.00	393718.00	393718.00	393718.00
Growth	Growth of Assets	122	1.55	1.37	5	38	1.16	.	0.64	0.64	0.66	0.81	0.92	1.06	1.16	1.47	2.31	3.03	7.19	12.58	12.58	12.58	12.58
	Growth of Sales	122	6.61	50.02	11	121	1.13	.	0.03	0.03	0.08	0.40	0.60	0.95	1.13	1.42	3.44	8.66	22.92	553.19	553.19	553.19	553.19
	Growth of NOI	122	1.31	12.23	1	34	0.93	.	-78.20	-78.20	-27.98	-4.36	-1.57	-0.08	0.93	1.78	3.85	5.81	53.78	84.30	84.30	84.30	84.30
Asset Structure	Current Assets (CA)	134	2170.66	9250.20	6	43	230.47		1.15	1.15	2.53	15.52	40.77	83.16	230.47	688.07	1768.00	4360.80	64401.00	73338.00	73338.00	73338.00	73338.00
	Cash and Others	134	427.53	1606.54	6	37	89.26	0.00	0.00	0.00	0.00	0.39	3.28	19.76	89.26	214.85	491.40	1081.50	10463.00	12379.00	12379.00	12379.00	12379.00
	Inventory	134	456.55	2057.60	6	34	1.64	0.00	0.00	0.00	0.00	0.00	0.00	1.64	67.26	407.82	1072.35	13447.00	14553.00	14553.00	14553.00	14553.00
	Investment (I)	121	1324.79	6764.02	6	37	16.29	0.00	-1444.65	-1444.65	-852.74	-2.60	0.00	1.56	16.29	174.22	526.94	2249.00	41001.00	49712.00	49712.00	49712.00	49712.00
	Working Capital (WC)	134	92.66	2625.40	-5	49	82.01		-22903.00	-22903.00	-11357.00	-165.86	-29.06	9.44	82.01	228.11	614.56	1239.60	8745.00	10075.00	10075.00	10075.00	10075.00
	Assets to Empl.	134	50.28	236.17	7	48	2.30		0.30	0.30	0.40	0.58	0.83	1.23	2.30	5.01	37.23	142.41	1367.70	2049.57	2049.57	2049.57	2049.57
	Sales to Empl.	134	13.53	115.60	11	131	1.24		0.01	0.01	0.01	0.02	0.07	0.42	1.24	3.01	6.42	10.53	144.81	1333.18	1333.18	1333.18	1333.18
	CA to Assets	134	0.41	0.26	0	-1	0.36	.	0.00	0.00	0.02	0.05	0.08	0.20	0.36	0.62	0.78	0.88	0.94	0.94	0.94	0.94	0.94
	WC to Assets	134	0.16	0.23	1	2	0.10	.	-0.74	-0.74	-0.24	-0.13	-0.07	0.02	0.10	0.27	0.43	0.62	0.84	0.90	0.90	0.90	0.90
	I. to Dpr. Assets (DA)	121	4.21	29.83	10	112	0.31	0.00	-6.25	-6.25	-0.95	-0.07	0.00	0.10	0.31	0.96	3.29	6.77	58.94	323.45	323.45	323.45	323.45
Inv.	Depreciation to DA	121	0.79	3.74	8	68	0.19	0.00	0.00	0.00	0.00	0.00	0.05	0.10	0.19	0.38	0.67	0.98	21.84	35.08	35.08	35.08	35.08
	IDA (A>10mill. NOK)	121	4.21	29.83	10	112	0.31	0.00	-6.25	-6.25	-0.95	-0.07	0.00	0.10	0.31	0.96	3.29	6.77	58.94	323.45	323.45	323.45	323.45
Capital Structure	Total Debt	134	4574.86	21133.42	7	56	230.30		0.80	0.80	4.34	8.09	21.78	63.19	230.30	892.02	5036.80	14354.00	128380.00	192396.00	192396.00	192396.00	192396.00
	Current Debt (CD)	134	2078.00	10268.10	7	59	117.56		0.80	0.80	0.94	4.45	13.98	41.03	117.56	437.28	1470.00	5274.00	54326.00	96241.00	96241.00	96241.00	96241.00
	CD to Total Debt	134	0.62	0.31	0	-1	0.64	1.00	0.01	0.01	0.03	0.11	0.16	0.37	0.64	0.91	0.99	1.00	1.00	1.00	1.00	1.00	1.00
	Debt to Assets	134	0.44	0.24	0	-1	0.47	.	0.00	0.00	0.02	0.06	0.08	0.23	0.47	0.61	0.74	0.77	0.92	0.95	0.95	0.95	0.95
Pay-out	Dividends	134	183.01	1601.95	10	112	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	13.18	75.59	5503.00	17756.00	17756.00	17756.00	17756.00
	Dividend Payout	134	0.09	0.29	4	20	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.34	0.73	1.43	2.05	2.05	2.05	2.05
Profitability	Net oper. Inc. (NOI)	134	608.74	3231.78	8	78	27.54		-848.00	-848.00	-250.50	-68.76	-25.64	0.37	27.54	148.91	660.56	2387.94	15292.00	32774.00	32774.00	32774.00	32774.00
	Equity	134	2947.55	12082.44	6	44	342.28		12.97	12.97	13.62	41.12	60.67	152.10	342.28	1275.97	3356.80	6416.00	89317.00	92432.00	92432.00	92432.00	92432.00
	Return on Assets	134	0.05	0.17	-4	33	0.05	.	-1.35	-1.35	-0.50	-0.16	-0.06	0.01	0.05	0.12	0.19	0.23	0.33	0.65	0.65	0.65	0.65
	Return on Equity	134	0.07	0.41	-3	25	0.11	.	-2.90	-2.90	-1.78	-0.52	-0.17	0.00	0.11	0.21	0.36	0.46	0.78	1.91	1.91	1.91	1.91
	Firm Age	134	31.04	34.93	2	2	16.00	10.00	1.00	1.00	1.00	2.00	4.00	9.00	16.00	37.00	97.00	112.00	140.00	145.00	145.00	145.00	145.00

This table presents distributions of corporate finance variables in 2005 for the population of listed Norwegian firms with limited liability that pass our filters as defined in table 4.1. The corporate finance variables are defined in Appendix 6.A1. Except for employees and ratios, all variables are in million NOK as of 2005. The dividend payout ratio reflects both paying and non-paying firms.

Table 6.S2. Corporate finance: Descriptive statistics for 2005 by industry sector

							Industry sector code				
Panel A. All firms		Percentile	0	1	2	3	4	5	7	8	9
Size	Total Assets	P50	1.51	3.91	2.41	57.07	1.85	1.59	1.86	2.16	1.72
		P75	7.19	14.98	7.77	428.03	4.43	4.79	4.64	6.19	4.44
	Employees	P50	2.00	4.00	4.00	9.00	4.00	2.00	4.00	3.00	3.00
		P75	6.00	7.00	11.00	32.00	9.00	6.00	7.00	8.00	7.00
	Sales	P50	0.40	3.40	4.12	21.31	4.01	1.79	4.36	3.68	3.07
		P75	1.38	10.38	12.37	137.57	9.35	4.81	11.75	10.28	8.04
Growth	Growth of Assets	P50	1.01	1.03	1.02	1.05	1.06	1.01	1.02	1.02	1.06
		P75	1.27	1.28	1.21	1.21	1.32	1.25	1.20	1.27	1.33
	Growth of Sales	P50	1.03	1.12	1.05	1.07	1.09	1.04	1.03	1.07	1.08
		P75	1.74	1.42	1.21	1.37	1.34	1.26	1.17	1.26	1.37
	Growth of NOI	P50	0.53	0.55	0.68	0.99	0.63	0.67	0.69	0.58	0.60
		P75	1.39	1.77	1.53	1.53	1.51	1.50	1.48	1.44	1.56
Asset Structure	Current Assets (CA)	P50	0.65	1.32	1.51	19.28	1.30	0.74	1.47	1.08	1.00
		P75	2.50	5.04	4.73	116.90	3.23	2.06	3.65	3.01	2.63
	Cash and Others	P50	0.19	0.27	0.31	4.14	0.31	0.26	0.26	0.34	0.21
		P75	0.71	1.12	1.07	27.29	0.86	0.80	0.84	1.14	0.67
	Inventory	P50	0.00	0.00	0.20	0.00	0.02	0.00	0.52	0.00	0.07
		P75	0.06	0.35	0.97	0.83	0.26	0.03	1.42	0.00	0.52
	Investment (I)	P50	0.00	0.08	0.05	2.28	0.03	0.00	0.00	0.04	0.04
		P75	1.52	0.71	0.35	15.18	0.24	0.15	0.10	0.55	0.28
	Working Capital (WC)	P50	0.13	0.18	0.27	0.93	0.19	0.13	0.32	0.13	0.16
		P75	0.78	1.54	1.32	17.75	0.71	0.58	1.05	0.62	0.68
	Assets to Empl.	P50	0.47	1.02	0.51	5.32	0.43	0.45	0.49	0.57	0.44
		P75	1.37	2.86	0.96	14.29	0.69	1.23	0.97	1.09	0.91
	Sales to Empl.	P50	0.16	1.00	0.92	1.83	0.96	0.70	1.22	0.98	0.86
		P75	0.50	1.79	1.50	4.40	1.37	1.33	2.23	1.75	1.49
	CA to Assets	P50	0.67	0.50	0.76	0.34	0.81	0.72	0.91	0.60	0.76
		P75	0.95	0.78	0.92	0.88	0.93	0.95	0.98	0.91	0.93
	WC to Assets	P50	0.18	0.08	0.17	0.10	0.14	0.12	0.22	0.08	0.13
		P75	0.45	0.29	0.36	0.28	0.30	0.36	0.41	0.26	0.32
Invest.	I to Dpr. Assets (DA)	P50	0.00	0.05	0.05	0.08	0.08	0.01	0.00	0.05	0.06
		P75	0.27	0.34	0.34	0.25	0.55	0.30	0.32	0.44	0.47
	Depreciation to DA	P50	0.09	0.15	0.23	0.07	0.27	0.21	0.28	0.25	0.23
		P75	0.25	0.27	0.37	0.23	0.40	0.38	0.43	0.37	0.37
	IDA (A>10mill. NOK)	P50	0.05	0.08	0.12	0.11	0.22	0.04	0.14	0.15	0.13
		P75	0.36	0.35	0.35	0.27	0.61	0.37	0.53	0.50	0.50
Capital Structure	Total Debt	P50	0.88	3.00	1.81	19.67	1.48	1.11	1.48	1.67	1.32
		P75	3.57	10.29	5.56	207.37	3.53	3.43	3.56	4.61	3.37
	Current Debt	P50	0.46	1.12	1.12	9.56	1.06	0.59	1.03	0.91	0.79
		P75	1.46	3.54	3.32	76.05	2.50	1.55	2.57	2.55	1.91
	CD to Debt	P50	0.99	0.52	0.81	0.65	0.90	0.94	0.92	0.77	0.83
		P75	1.00	0.91	1.00	1.00	1.00	1.00	1.00	1.00	1.00
	Debt to Assets	P50	0.70	0.80	0.76	0.57	0.78	0.74	0.80	0.79	0.79
		P75	0.88	0.97	0.90	0.79	0.90	0.90	0.91	0.92	0.93
Pay-out	Dividends	P50	0.67	0.80	0.60	6.97	0.46	0.45	0.56	0.64	0.30
		P75	2.00	2.00	2.00	83.70	1.00	1.18	1.75	2.06	0.92
	Dividend Payout	P50	0.47	0.41	0.63	0.70	0.67	0.79	0.82	0.65	0.66
		P75	0.90	0.76	0.96	0.95	0.93	0.99	1.00	0.95	0.94
Profitability	Net Oper. Inc. (NOE)	P50	0.04	0.10	0.11	1.40	0.14	0.09	0.08	0.10	0.07
		P75	0.34	0.77	0.55	15.44	0.48	0.42	0.39	0.44	0.35
	Equity	P50	0.28	0.57	0.48	24.19	0.35	0.34	0.34	0.39	0.28
		P75	1.93	2.87	1.94	214.16	0.92	1.15	1.04	1.27	0.95
	Return on Assets	P50	0.03	0.05	0.07	0.05	0.09	0.07	0.06	0.06	0.06
		P75	0.14	0.14	0.15	0.10	0.19	0.20	0.15	0.16	0.15
	Return on Equity	P50	0.15	0.25	0.26	0.10	0.44	0.30	0.31	0.27	0.29
		P75	0.49	0.63	0.59	0.35	0.72	0.69	0.65	0.62	0.68
	Firm Age	P50	1.00	8.00	12.00	8.00	9.00	9.00	11.00	10.00	7.00
		P75	9.00	15.00	19.00	14.00	16.00	17.00	18.00	17.00	15.00

This table presents the median (P50) and the 75th (P75) percentile for corporate finance variables in 2005 by industry sector. The sample is all firms as defined in table 4.1, and the variables are defined in Appendix 6.A1. All variables, except for employees and ratios, are in millions of NOK as of 2005. The dividend figures only include the firms that pay dividends. The industry sector codes are 0: Missing; 1: Agriculture, forestry, fishing, mining; 2: Manufacturing, chemical products; 3: Energy; 4: Construction; 5: Service; 6 Financial (not in the sample); 7: Trade; 8: Transport; 9: Multisector.

Table 6.S2. Corporate finance: Descriptive statistics for 2005 by industry sector

Panel B. Nonlisted firms   Industry sector code

		Percentile	0	1	2	3	4	5	7	8	9
Size	Total Assets	P50	1.51	3.90	2.38	42.93	1.85	1.58	1.86	2.14	1.72
		P75	7.01	14.57	7.51	303.35	4.43	4.77	4.63	6.10	4.44
	Employees	P50	2.00	4.00	4.00	8.00	4.00	2.00	4.00	3.00	3.00
		P75	6.00	7.00	11.00	31.00	9.00	6.00	7.00	8.00	7.00
	Sales	P50	0.40	3.39	4.08	17.26	4.00	1.79	4.35	3.65	3.07
		P75	1.38	10.37	12.04	106.49	9.34	4.79	11.74	10.09	8.02
Growth	Growth of Assets	P50	1.01	1.03	1.02	1.04	1.06	1.01	1.02	1.02	1.06
		P75	1.27	1.28	1.21	1.19	1.32	1.25	1.20	1.27	1.33
	Growth of Sales	P50	1.03	1.12	1.05	1.07	1.09	1.04	1.03	1.07	1.08
		P75	1.74	1.42	1.21	1.36	1.34	1.26	1.17	1.26	1.37
	Growth of NOI	P50	0.53	0.55	0.68	1.00	0.63	0.67	0.69	0.58	0.60
		P75	1.39	1.77	1.53	1.53	1.51	1.50	1.48	1.44	1.56
Asset Structure	Current Assets (CA)	P50	0.65	1.32	1.49	16.93	1.30	0.74	1.47	1.06	0.99
		P75	2.48	5.03	4.60	92.76	3.22	2.05	3.64	2.95	2.63
	Cash and Others	P50	0.19	0.27	0.30	3.39	0.31	0.26	0.26	0.34	0.21
		P75	0.70	1.12	1.05	20.13	0.86	0.79	0.84	1.11	0.67
	Inventory	P50	0.00	0.00	0.20	0.00	0.02	0.00	0.52	0.00	0.07
		P75	0.06	0.35	0.94	0.83	0.26	0.03	1.42	0.00	0.52
	Investment (I)	P50	0.00	0.08	0.05	1.80	0.03	0.00	0.00	0.04	0.04
		P75	1.52	0.71	0.34	14.53	0.24	0.15	0.10	0.54	0.28
	Working Capital (WC)	P50	0.13	0.18	0.27	0.91	0.19	0.13	0.32	0.13	0.16
		P75	0.76	1.53	1.27	14.42	0.71	0.58	1.05	0.60	0.68
	Assets to Empl.	P50	0.47	1.02	0.51	5.10	0.42	0.45	0.49	0.56	0.44
		P75	1.36	2.86	0.95	13.42	0.69	1.23	0.97	1.08	0.91
	Sales to Empl.	P50	0.16	1.00	0.92	1.83	0.96	0.70	1.22	0.98	0.86
		P75	0.50	1.80	1.50	4.22	1.37	1.33	2.23	1.75	1.49
	CA to Assets	P50	0.67	0.50	0.76	0.35	0.81	0.72	0.91	0.60	0.76
		P75	0.95	0.78	0.92	0.88	0.93	0.95	0.98	0.91	0.93
	WC to Assets	P50	0.18	0.08	0.17	0.10	0.14	0.12	0.22	0.08	0.13
		P75	0.45	0.29	0.36	0.28	0.30	0.36	0.41	0.26	0.32
Invest.	I to Dpr. Assets (DA)	P50	0.00	0.05	0.05	0.08	0.08	0.01	0.00	0.05	0.06
		P75	0.27	0.34	0.34	0.22	0.55	0.30	0.31	0.44	0.48
	Depreciation to DA	P50	0.09	0.15	0.23	0.07	0.27	0.21	0.28	0.25	0.23
		P75	0.25	0.27	0.37	0.20	0.40	0.38	0.43	0.37	0.37
	IDA (A>10mill. NOK)	P50	0.05	0.08	0.12	0.10	0.22	0.04	0.13	0.15	0.13
		P75	0.36	0.35	0.35	0.23	0.61	0.35	0.53	0.50	0.50
Capital Structure	Total Debt	P50	0.88	2.98	1.78	16.59	1.47	1.11	1.48	1.66	1.32
		P75	3.56	10.28	5.42	162.59	3.53	3.42	3.55	4.52	3.36
	Current Debt	P50	0.46	1.11	1.11	8.80	1.06	0.58	1.03	0.91	0.79
		P75	1.44	3.52	3.23	67.00	2.49	1.54	2.57	2.51	1.91
	CD to Debt	P50	0.99	0.52	0.81	0.71	0.90	0.94	0.92	0.77	0.83
		P75	1.00	0.91	1.00	1.00	1.00	1.00	1.00	1.00	1.00
	Debt to Assets	P50	0.70	0.80	0.76	0.58	0.78	0.74	0.80	0.80	0.79
		P75	0.88	0.97	0.90	0.80	0.90	0.90	0.91	0.92	0.93
Pay-out	Dividends	P50	0.67	0.80	0.57	6.59	0.46	0.44	0.55	0.60	0.30
		P75	2.00	2.00	1.84	53.61	1.00	1.18	1.74	2.00	0.92
	Dividend Payout	P50	0.47	0.41	0.63	0.70	0.67	0.79	0.82	0.66	0.66
		P75	0.90	0.76	0.96	0.95	0.93	0.99	1.00	0.95	0.94
Profitability	Net Oper. Inc. (NOE)	P50	0.04	0.10	0.10	1.34	0.14	0.09	0.08	0.10	0.07
		P75	0.34	0.76	0.53	12.90	0.48	0.42	0.39	0.43	0.35
	Equity	P50	0.28	0.57	0.47	17.73	0.35	0.34	0.34	0.38	0.28
		P75	1.91	2.85	1.87	147.48	0.92	1.14	1.04	1.23	0.95
	Return on Assets	P50	0.04	0.05	0.07	0.05	0.09	0.07	0.06	0.06	0.06
		P75	0.14	0.14	0.16	0.10	0.19	0.20	0.15	0.16	0.15
	Return on Equity	P50	0.15	0.25	0.26	0.10	0.44	0.30	0.31	0.28	0.29
		P75	0.49	0.63	0.59	0.36	0.72	0.69	0.65	0.63	0.68
	Firm Age	P50	1.00	8.00	12.00	8.00	9.00	9.00	11.00	10.00	7.00
		P75	9.00	15.00	19.00	13.00	16.00	17.00	18.00	17.00	15.00

This table presents the median (P50) and the 75th (P75) percentile for corporate finance variables in 2005 by industry sector. The sample is nonlisted firms as defined in table 4.1, and the variables are defined in Appendix 6.A1. All variables, except for employees and ratios, are in millions of NOK as of 2005. The dividend figures only include the firms that pay dividends. The industry sector codes are 0: Missing; 1: Agriculture, forestry, fishing, mining; 2: Manufacturing, chemical products; 3: Energy; 4: Construction; 5: Service; 6 Financial (not in the sample); 7: Trade; 8: Transport; 9: Multisector.

Table 6.S2. Corporate finance: Descriptive statistics for 2005 by industry sector

Panel C. Large nonlisted firms

		Percentile	0	1	2	3	4	5	7	8	9
Size	Total Assets	P50	80.31	145.67	59.74	436.84	31.12	60.25	29.31	51.53	38.60
		P75	170.80	278.09	148.24	2,148.59	53.03	173.68	54.09	161.94	76.00
	Employees	P50	42.00	20.00	55.00	37.50	42.50	39.00	20.00	40.00	34.00
		P75	91.00	63.00	116.00	106.50	65.00	92.00	37.00	103.00	107.00
	Sales	P50	123.77	75.36	101.32	222.82	68.49	93.08	76.35	94.55	67.80
		P75	206.09	161.64	216.60	759.87	102.71	181.82	143.89	210.23	115.73
Growth	Growth of Assets	P50	1.07	1.12	1.07	1.05	1.14	1.09	1.09	1.08	1.08
		P75	1.25	1.23	1.18	1.20	1.35	1.27	1.27	1.29	1.21
	Growth of Sales	P50	1.04	1.17	1.09	1.09	1.16	1.10	1.08	1.11	1.10
		P75	1.22	1.40	1.19	1.23	1.37	1.30	1.22	1.30	1.21
	Growth of NOI	P50	0.83	1.47	0.96	1.11	1.06	1.07	1.05	0.99	1.06
		P75	1.35	2.97	1.76	1.46	2.01	1.99	1.71	1.82	1.72
Asset Structure	Current Assets (CA)	P50	44.11	41.65	36.54	120.24	24.16	33.79	23.89	25.92	23.41
		P75	88.10	107.63	84.62	536.10	39.58	84.11	43.64	68.93	44.48
	Cash and Others	P50	7.96	5.15	5.02	24.49	4.74	6.81	3.44	7.49	3.33
		P75	22.79	18.57	12.70	108.42	9.29	19.30	8.81	24.14	9.84
	Inventory	P50	11.43	13.00	10.74	1.34	0.84	1.72	4.44	0.00	5.37
		P75	23.94	44.12	25.18	5.00	4.48	11.86	11.97	0.22	11.91
	Investment (I)	P50	2.24	3.59	1.76	13.15	0.54	1.03	0.22	1.07	0.82
		P75	20.58	19.48	6.91	61.11	1.95	6.30	0.99	9.19	4.23
	Working Capital (WC)	P50	19.54	16.42	11.32	12.05	5.45	6.76	5.58	2.36	6.39
		P75	38.44	41.69	28.31	46.77	10.11	22.35	13.46	11.80	17.61
	Assets to Empl.	P50	1.55	5.54	1.22	7.54	0.76	1.28	1.40	1.17	0.99
		P75	4.20	10.47	2.08	45.14	1.21	3.94	2.66	2.71	1.90
	Sales to Empl.	P50	2.51	3.75	2.01	3.60	1.76	2.83	3.94	2.96	2.18
		P75	4.29	7.34	3.18	17.95	2.62	6.07	7.14	7.28	3.96
	CA to Assets	P50	0.61	0.48	0.64	0.26	0.83	0.73	0.89	0.62	0.75
		P75	0.74	0.66	0.82	0.49	0.92	0.90	0.95	0.89	0.90
	WC to Assets	P50	0.26	0.13	0.19	0.05	0.16	0.14	0.19	0.06	0.20
		P75	0.35	0.30	0.32	0.16	0.31	0.31	0.34	0.18	0.34
Invest.	I to Dpr. Assets (DA)	P50	0.19	0.11	0.13	0.12	0.22	0.17	0.17	0.18	0.15
		P75	0.36	0.37	0.32	0.24	0.63	0.49	0.54	0.50	0.44
	Depreciation to DA	P50	0.11	0.10	0.17	0.07	0.28	0.22	0.32	0.25	0.19
		P75	0.20	0.17	0.28	0.16	0.38	0.40	0.46	0.45	0.33
	IDA (A>10mill. NOK)	P50	0.19	0.11	0.13	0.12	0.22	0.17	0.18	0.18	0.17
		P75	0.36	0.37	0.32	0.25	0.63	0.52	0.57	0.49	0.48
Capital Structure	Total Debt	P50	54.88	92.44	39.53	207.48	23.01	39.96	19.98	34.90	22.94
		P75	107.69	174.39	89.34	1,229.46	40.85	110.14	38.71	115.90	45.47
	Current Debt	P50	30.23	26.11	24.80	88.57	18.27	23.93	15.53	21.42	13.38
		P75	51.16	52.95	60.60	482.95	31.01	55.80	31.54	53.67	31.23
	CD to Debt	P50	0.51	0.40	0.68	0.45	0.87	0.77	0.95	0.82	0.71
		P75	0.67	0.63	0.87	0.88	0.95	0.98	1.00	0.99	0.92
	Debt to Assets	P50	0.67	0.72	0.70	0.55	0.79	0.76	0.77	0.78	0.74
		P75	0.84	0.84	0.81	0.73	0.87	0.87	0.85	0.89	0.84
Pay-out	Dividends	P50	1.11	1.80	5.00	12.00	1.57	2.60	2.45	3.13	1.80
		P75	1.80	3.73	15.00	115.00	4.18	9.00	7.45	19.61	8.21
	Dividend Payout	P50	0.31	0.15	0.57	0.68	0.46	0.50	0.84	0.47	0.36
		P75	0.60	0.33	0.98	0.94	0.81	0.87	1.00	0.87	0.65
Profitability	Net Oper. Inc. (NOE)	P50	3.93	8.96	3.27	21.86	2.82	3.52	2.09	2.45	1.69
		P75	13.15	18.87	8.08	144.48	5.12	11.67	5.79	10.09	5.07
	Equity	P50	27.58	37.53	18.61	193.40	6.94	13.93	6.86	9.92	9.43
		P75	60.28	79.33	50.06	910.18	13.04	49.94	17.78	38.89	25.85
	Return on Assets	P50	0.06	0.10	0.07	0.06	0.10	0.08	0.09	0.06	0.07
		P75	0.12	0.15	0.12	0.10	0.15	0.15	0.16	0.15	0.13
	Return on Equity	P50	0.18	0.28	0.18	0.10	0.41	0.27	0.34	0.25	0.24
		P75	0.48	0.49	0.39	0.21	0.69	0.61	0.63	0.50	0.52
	Firm Age	P50	12.00	15.00	18.00	10.00	16.00	14.00	15.00	16.00	14.00
		P75	17.00	21.00	28.00	19.00	22.00	22.00	23.00	24.00	27.00

This table presents the median (P50) and the 75th (P75) percentile for corporate finance variables in 2005 by industry sector. The sample is large nonlisted firms (i.e., 5% largest nonlisted by sales) as specified in table 4.1, and the variables are defined in Appendix 6.A1. All variables, except for employees and ratios, are in millions of NOK as of 2005. The dividend figures only include the firms that pay dividends. The industry sector codes are 0: Missing; 1: Agriculture, forestry, fishing, mining; 2: Manufacturing, chemical products; 3: Energy; 4: Construction; 5: Service; 6 Financial (not in the sample); 7: Trade; 8: Transport; 9: Multisector.

Table 6.S2. Corporate finance: Descriptive statistics for 2005 by industry sector

Panel D. Listed firms

	VarName	Percentile	0	1	2	3	4	5	7	8	9
Size	Total Assets	P50	95.23	4,022.82	1,149.77	3,510.47	4,113.96	237.53	375.15	1,321.46	6,635.58
		P75	95.23	4,022.82	2,866.90	11,494.01	6,369.70	535.94	1,597.10	4,093.47	6,635.58
	Employees	P50	19.00	1,135.00	537.00	176.50	3,501.50	147.00	276.50	429.50	2,961.00
		P75	19.00	1,135.00	1,613.00	2,926.50	5,455.00	246.00	608.00	2,014.50	2,961.00
	Sales	P50	34.99	1,948.56	529.51	486.45	9,445.87	142.11	221.79	181.92	5,381.91
		P75	34.99	1,948.56	2,430.80	3,648.60	14,695.60	293.59	1,929.78	917.72	5,381.91
Growth	Growth of Assets	P50	0.00	1.34	1.12	1.38	1.09	1.21	1.16	1.12	1.33
		P75	0.00	1.34	1.27	2.60	1.10	1.81	2.52	1.30	1.33
	Growth of Sales	P50	0.00	0.82	1.13	1.27	1.13	1.15	1.10	1.13	1.07
		P75	0.00	0.82	1.28	3.97	1.14	1.47	1.60	1.63	1.07
	Growth of NOI	P50	0.00	-1.57	1.12	0.70	1.72	0.77	1.00	0.54	3.57
		P75	0.00	-1.57	2.51	1.63	2.21	1.45	1.58	1.52	3.57
Asset Structure	Current Assets (CA)	P50	63.14	1,640.54	275.16	1,128.36	2,913.60	102.22	184.22	247.37	2,902.09
		P75	63.14	1,640.54	852.85	1,738.79	4,360.80	242.42	626.65	546.56	2,902.09
	Cash and Others	P50	9.68	152.70	93.68	257.01	272.65	48.27	37.84	146.60	389.72
		P75	9.68	152.70	241.25	709.56	344.80	126.64	149.20	237.20	389.72
	Inventory	P50	5.48	1,072.35	30.10	0.00	628.81	0.00	14.34	0.00	1,687.92
		P75	5.48	1,072.35	293.70	36.04	849.80	6.68	156.24	12.40	1,687.92
	Investment (I)	P50	0.00	526.94	25.01	122.99	221.06	15.48	5.11	2.97	968.73
		P75	0.00	526.94	133.39	2,101.00	267.90	73.62	215.44	38.45	968.73
	Working Capital (WC)	P50	27.45	966.92	125.77	286.02	215.85	21.97	31.67	118.38	1,419.52
		P75	27.45	966.92	314.45	426.00	256.30	81.66	184.27	172.90	1,419.52
	Assets to Empl.	P50	5.01	3.54	1.68	13.93	1.18	2.27	1.88	2.75	2.27
		P75	5.01	3.54	3.41	43.29	1.20	4.81	2.89	24.71	2.24
	Sales to Empl.	P50	1.84	1.72	1.44	3.78	2.70	1.15	0.49	0.78	1.82
		P75	1.84	1.72	3.07	11.66	2.71	2.42	4.77	1.67	1.82
	CA to Assets	P50	0.66	0.41	0.55	0.27	0.74	0.33	0.39	0.23	0.44
		P75	0.66	0.41	0.64	0.36	0.79	0.62	0.81	0.35	0.44
	WC to Assets	P50	0.29	0.24	0.18	0.15	0.08	0.08	0.12	0.05	0.21
		P75	0.29	0.24	0.30	0.32	0.14	0.23	0.28	0.20	0.21
Invest.	I to Dpr. Assets (DA)	P50	0.00	0.31	0.26	0.33	0.43	0.82	0.28	0.18	0.36
		P75	0.00	0.31	0.39	1.79	0.68	2.92	0.96	0.62	0.36
	Depreciation to DA	P50	0.00	0.09	0.13	0.11	0.20	0.40	0.22	0.15	0.09
		P75	0.00	0.09	0.31	0.26	0.25	0.67	0.37	0.29	0.09
	IDA (A>10mill. NOK)	P50	0.00	0.31	0.26	0.33	0.43	0.82	0.28	0.18	0.36
		P75	0.00	0.31	0.39	1.79	0.68	2.92	0.96	0.62	0.36
Capital Structure	Total Debt	P50	35.81	2,304.49	350.14	1,505.24	3,162.41	85.43	168.70	430.72	3,113.05
		P75	35.81	2,304.49	1,040.49	6,907.61	4,899.30	186.47	932.20	885.51	3,113.05
	Current Debt	P50	35.69	673.61	188.63	148.61	2,697.75	69.24	89.53	148.23	1,482.57
		P75	35.69	673.61	649.00	1,391.13	4,185.40	142.64	450.75	398.94	1,482.57
	CD to Debt	P50	1.00	0.29	0.66	0.21	0.85	0.81	0.85	0.35	0.48
		P75	1.00	0.29	0.88	0.34	0.85	0.95	0.97	0.73	0.48
	Debt to Assets	P50	0.38	0.57	0.52	0.52	0.77	0.41	0.43	0.44	0.47
		P75	0.38	0.57	0.61	0.68	0.77	0.57	0.61	0.75	0.47
Pay-out	Dividends	P50	0.00	0.00	30.81	17,756.00	0.00	20.98	6.96	51.90	0.00
		P75	0.00	0.00	276.20	17,756.00	0.00	212.37	70.88	204.96	0.00
	Dividend Payout	P50	0.00	0.00	0.39	0.54	0.00	0.94	0.73	0.26	0.00
		P75	0.00	0.00	0.75	0.54	0.00	1.34	1.43	0.34	0.00
Profitability	Net Oper. Inc. (NOE)	P50	-12.40	369.95	35.61	215.36	329.63	4.48	7.48	60.58	660.56
		P75	-12.40	369.95	177.81	850.76	571.50	41.96	49.38	158.56	660.56
	Equity	P50	59.41	1,718.33	432.09	2,012.18	951.55	171.70	195.16	557.04	3,522.54
		P75	59.41	1,718.33	1,614.30	4,586.40	1,470.40	343.90	684.80	1,710.72	3,522.54
	Return on Assets	P50	-0.13	0.13	0.06	0.04	0.07	0.04	0.04	0.05	0.11
		P75	-0.13	0.13	0.14	0.09	0.10	0.14	0.09	0.11	0.11
	Return on Equity	P50	-0.21	0.22	0.13	0.11	0.30	0.02	0.07	0.14	0.19
		P75	-0.21	0.22	0.24	0.25	0.39	0.19	0.14	0.20	0.19
	Firm Age	P50	1.00	14.00	21.00	18.00	45.50	10.00	11.50	70.50	12.00
		P75	1.00	14.00	36.00	39.50	70.00	16.00	26.00	105.50	12.00

This table presents the median (P50) and the 75th (P75) percentile for corporate finance variables in 2005 by industry sector. The sample is the listed firms as specified in table 4.1, and the variables are defined in Appendix 6.A1. All variables, except for employees and ratios, are in millions of NOK as of 2005. The dividend figures only include the firms that pay dividends. The industry sector codes are 0: Missing; 1: Agriculture, forestry, fishing, mining; 2: Manufacturing, chemical products; 3: Energy; 4: Construction; 5: Service; 6 Financial (not in the sample); 7: Trade; 8: Transport; 9: Multisector.

Table 6.S2. Corporate finance: Descriptive statistics for 2005 by firm size

Panel A. All firms

		Percentile	0	1	2	3	4	5	6	7	8	9
Size	Total Assets	P50	20.87	5.94	3.32	2.15	1.51	1.09	0.84	0.63	0.51	0.34
		P75	57.18	9.46	5.16	3.45	2.51	1.97	1.66	1.57	1.68	1.32
	Employees	P50	20.00	9.00	6.00	5.00	4.00	3.00	2.00	1.00	1.00	1.00
		P75	42.00	14.00	9.00	7.00	5.00	4.00	3.00	2.00	2.00	1.00
	Sales	P50	44.97	14.39	7.77	4.89	3.30	2.27	1.52	0.94	0.49	0.10
		P75	90.86	17.65	8.86	5.44	3.64	2.50	1.69	1.07	0.60	0.19
Growth	Growth of Assets	P50	1.08	1.08	1.06	1.05	1.04	1.02	1.00	0.99	0.97	0.92
		P75	1.27	1.28	1.27	1.27	1.26	1.25	1.25	1.26	1.18	1.07
	Growth of Sales	P50	1.10	1.09	1.07	1.07	1.06	1.05	1.03	1.01	0.98	0.67
		P75	1.26	1.28	1.26	1.26	1.26	1.26	1.24	1.25	1.24	1.06
	Growth of NOI	P50	0.99	0.86	0.81	0.75	0.67	0.62	0.55	0.48	0.33	0.22
		P75	1.77	1.67	1.61	1.59	1.51	1.51	1.41	1.38	1.19	1.03
Asset Structure	Current Assets (CA)	P50	14.43	4.25	2.39	1.51	1.04	0.73	0.54	0.38	0.25	0.15
		P75	34.06	6.35	3.40	2.21	1.56	1.14	0.88	0.68	0.51	0.41
	Cash and Others	P50	2.63	0.90	0.58	0.42	0.31	0.23	0.19	0.14	0.10	0.06
		P75	7.65	2.03	1.24	0.89	0.66	0.50	0.41	0.33	0.24	0.17
	Inventory	P50	1.76	0.57	0.21	0.09	0.04	0.00	0.00	0.00	0.00	0.00
		P75	6.44	1.62	0.86	0.50	0.30	0.16	0.07	0.02	0.00	0.00
	Investment (I)	P50	0.34	0.09	0.04	0.02	0.00	0.00	0.00	0.00	0.00	0.00
		P75	1.87	0.38	0.24	0.15	0.11	0.07	0.05	0.03	0.02	0.00
	Working Capital (WC)	P50	2.93	0.86	0.50	0.31	0.22	0.15	0.12	0.09	0.06	0.05
		P75	10.08	2.15	1.21	0.78	0.55	0.41	0.33	0.25	0.20	0.16
	Assets to Empl.	P50	0.99	0.63	0.54	0.48	0.44	0.41	0.41	0.40	0.31	0.21
		P75	2.18	1.24	1.02	0.92	0.88	0.86	0.93	0.85	0.74	0.60
	Sales to Empl.	P50	2.44	1.54	1.23	1.05	0.94	0.84	0.74	0.71	0.36	0.08
		P75	4.42	2.63	2.05	1.66	1.52	1.28	1.34	0.93	0.52	0.16
	CA to Assets	P50	0.81	0.82	0.82	0.81	0.80	0.79	0.78	0.75	0.69	0.78
		P75	0.93	0.94	0.94	0.94	0.95	0.95	0.96	0.97	0.98	1.00
	WC to Assets	P50	0.16	0.16	0.16	0.15	0.15	0.14	0.14	0.13	0.11	0.15
		P75	0.31	0.33	0.33	0.33	0.34	0.34	0.36	0.38	0.42	0.61
Invest.	I to Dpr. Assets (DA)	P50	0.16	0.11	0.07	0.03	0.01	0.00	0.00	0.00	0.00	0.00
		P75	0.52	0.54	0.50	0.41	0.36	0.29	0.18	0.11	0.03	0.00
	Depreciation to DA	P50	0.25	0.27	0.27	0.26	0.26	0.25	0.23	0.20	0.15	0.11
		P75	0.40	0.41	0.41	0.41	0.40	0.40	0.37	0.35	0.31	0.28
	IDA (A>10mill. NOK)	P50	0.17	0.08	0.02	0.01	0.00	0.00	0.00	0.00	0.00	0.00
		P75	0.51	0.44	0.28	0.13	0.10	0.10	0.10	0.23	0.21	0.79
Capital Structure	Total Debt	P50	14.37	4.43	2.53	1.61	1.13	0.83	0.60	0.46	0.36	0.22
		P75	37.79	7.03	3.96	2.67	1.96	1.56	1.26	1.21	1.20	0.87
	Current Debt	P50	9.82	3.11	1.72	1.11	0.76	0.55	0.40	0.29	0.19	0.10
		P75	23.63	4.60	2.52	1.62	1.15	0.86	0.65	0.53	0.41	0.35
	CD to Debt	P50	0.85	0.83	0.83	0.83	0.86	0.89	0.94	0.98	1.00	1.00
		P75	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
	Debt to Assets	P50	0.77	0.79	0.79	0.79	0.78	0.78	0.75	0.73	0.72	0.65
		P75	0.87	0.90	0.90	0.90	0.91	0.92	0.92	0.92	0.94	0.99
Pay-out	Dividends	P50	1.82	0.73	0.46	0.30	0.29	0.20	0.15	0.14	0.12	0.17
		P75	5.28	1.50	0.91	0.60	0.55	0.50	0.36	0.30	0.24	1.00
	Dividend Payout	P50	0.66	0.73	0.80	0.75	0.86	0.80	0.81	0.85	0.86	0.89
		P75	0.95	0.96	0.99	0.98	0.99	0.99	1.00	1.00	1.00	1.00
Profitability	Net Oper. Inc. (NOE)	P50	1.45	0.48	0.28	0.18	0.12	0.08	0.06	0.04	0.02	-0.01
		P75	4.50	1.16	0.68	0.45	0.34	0.26	0.22	0.17	0.11	0.03
	Equity	P50	4.63	1.17	0.68	0.45	0.32	0.24	0.20	0.17	0.14	0.11
		P75	17.08	2.51	1.39	0.93	0.69	0.55	0.49	0.42	0.38	0.34
	Return on Assets	P50	0.08	0.09	0.09	0.09	0.09	0.08	0.07	0.06	0.04	0.00
		P75	0.15	0.18	0.19	0.19	0.20	0.20	0.20	0.19	0.15	0.07
	Return on Equity	P50	0.32	0.42	0.43	0.42	0.41	0.36	0.32	0.26	0.16	0.02
		P75	0.63	0.73	0.75	0.73	0.73	0.70	0.68	0.62	0.51	0.30
	Firm Age	P50	14.00	12.00	10.00	9.00	9.00	8.00	8.00	9.00	9.00	10.00
		P75	21.00	19.00	17.00	17.00	16.00	15.00	15.00	16.00	17.00	17.00

This table presents the median (P50) and the 75th (P75) percentile for corporate finance variables in 2005 by firm size as measured by sales. The sample is all firms as defined in table 4.1, and the variables are defined in Appendix 6.A1. All variables, except for employees and ratios, are in millions of NOK as of 2005. The dividend figures only include the firms that pay dividends.

Table 6.S2. Corporate finance: Descriptive statistics for 2005 by firm size

Panel B. Nonlisted firms

		Percentile	0	1	2	3	4	5	6	7	8	9
							Sales decile					
Size	Total Assets	P50	20.20	5.91	3.30	2.14	1.51	1.08	0.84	0.63	0.51	0.34
		P75	53.57	9.35	5.13	3.44	2.50	1.97	1.66	1.57	1.68	1.32
	Employees	P50	20.00	9.00	6.00	5.00	4.00	3.00	2.00	1.00	1.00	1.00
		P75	41.00	14.00	9.00	7.00	5.00	4.00	3.00	2.00	2.00	1.00
	Sales	P50	43.99	14.27	7.74	4.88	3.29	2.26	1.52	0.94	0.49	0.10
		P75	86.99	17.47	8.80	5.41	3.63	2.49	1.68	1.07	0.60	0.19
Growth	Growth of Assets	P50	1.08	1.07	1.06	1.05	1.04	1.02	1.00	0.99	0.97	0.92
		P75	1.26	1.28	1.27	1.27	1.26	1.25	1.25	1.26	1.18	1.07
	Growth of Sales	P50	1.09	1.09	1.07	1.07	1.06	1.05	1.03	1.01	0.98	0.67
		P75	1.26	1.28	1.26	1.26	1.26	1.26	1.24	1.25	1.24	1.06
	Growth of NOI	P50	0.99	0.86	0.80	0.75	0.67	0.62	0.55	0.48	0.33	0.22
		P75	1.76	1.68	1.61	1.59	1.51	1.51	1.41	1.38	1.19	1.03
Asset Structure	Current Assets (CA)	P50	13.98	4.22	2.37	1.51	1.04	0.73	0.54	0.38	0.25	0.15
		P75	32.28	6.29	3.39	2.20	1.55	1.14	0.88	0.68	0.51	0.41
	Cash and Others	P50	2.55	0.89	0.58	0.42	0.31	0.22	0.19	0.14	0.10	0.06
		P75	7.34	2.02	1.23	0.88	0.66	0.50	0.41	0.33	0.24	0.17
	Inventory	P50	1.73	0.57	0.21	0.09	0.04	0.00	0.00	0.00	0.00	0.00
		P75	6.24	1.61	0.86	0.50	0.30	0.16	0.07	0.02	0.00	0.00
	Investment (I)	P50	0.32	0.09	0.04	0.02	0.00	0.00	0.00	0.00	0.00	0.00
		P75	1.75	0.37	0.24	0.15	0.11	0.07	0.05	0.03	0.02	0.00
	Working Capital (WC)	P50	2.82	0.86	0.49	0.31	0.22	0.15	0.12	0.09	0.06	0.05
		P75	9.55	2.14	1.21	0.77	0.55	0.41	0.33	0.25	0.20	0.16
	Assets to Empl.	P50	0.97	0.63	0.54	0.48	0.43	0.41	0.41	0.40	0.31	0.21
		P75	2.13	1.24	1.02	0.92	0.87	0.86	0.93	0.85	0.74	0.60
	Sales to Empl.	P50	2.44	1.52	1.23	1.05	0.94	0.84	0.74	0.71	0.36	0.08
		P75	4.43	2.62	2.04	1.66	1.51	1.28	1.34	0.93	0.52	0.16
	CA to Assets	P50	0.81	0.82	0.82	0.81	0.80	0.79	0.78	0.75	0.69	0.78
		P75	0.93	0.94	0.94	0.94	0.95	0.95	0.96	0.97	0.98	1.00
	WC to Assets	P50	0.16	0.16	0.16	0.15	0.15	0.14	0.14	0.13	0.11	0.15
		P75	0.31	0.33	0.33	0.33	0.33	0.34	0.36	0.38	0.42	0.61
Invest.	I to Dpr. Assets (DA)	P50	0.16	0.11	0.07	0.03	0.01	0.00	0.00	0.00	0.00	0.00
		P75	0.51	0.54	0.50	0.41	0.36	0.29	0.18	0.11	0.03	0.00
	Depreciation to DA	P50	0.26	0.27	0.27	0.26	0.26	0.25	0.23	0.20	0.15	0.11
		P75	0.40	0.41	0.41	0.41	0.40	0.40	0.37	0.35	0.31	0.28
	IDA (A>10mill. NOK)	P50	0.16	0.08	0.02	0.00	0.00	0.00	0.00	0.00	0.00	0.00
		P75	0.50	0.43	0.27	0.13	0.10	0.10	0.10	0.26	0.15	0.79
Capital Structure	Total Debt	P50	13.93	4.40	2.52	1.61	1.13	0.82	0.60	0.46	0.36	0.22
		P75	35.30	6.96	3.93	2.67	1.95	1.55	1.26	1.21	1.20	0.87
	Current Debt	P50	9.55	3.09	1.71	1.10	0.76	0.55	0.40	0.29	0.19	0.10
		P75	22.43	4.56	2.50	1.61	1.15	0.86	0.65	0.53	0.41	0.35
	CD to Debt	P50	0.85	0.83	0.83	0.83	0.86	0.89	0.94	0.98	1.00	1.00
		P75	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
	Debt to Assets	P50	0.77	0.79	0.79	0.79	0.78	0.78	0.75	0.73	0.72	0.65
		P75	0.87	0.90	0.90	0.90	0.91	0.92	0.92	0.92	0.94	0.99
Pay-out	Dividends	P50	1.80	0.72	0.45	0.30	0.29	0.20	0.15	0.14	0.12	0.17
		P75	5.00	1.50	0.89	0.60	0.55	0.50	0.36	0.30	0.24	1.00
	Dividend Payout	P50	0.66	0.73	0.81	0.75	0.87	0.80	0.81	0.85	0.86	0.89
		P75	0.95	0.96	0.99	0.98	0.99	0.99	1.00	1.00	1.00	1.00
Profitability	Net Oper. Inc. (NOE)	P50	1.41	0.47	0.28	0.17	0.12	0.08	0.06	0.04	0.02	-0.01
		P75	4.31	1.15	0.68	0.45	0.34	0.26	0.22	0.17	0.11	0.03
	Equity	P50	4.41	1.16	0.68	0.45	0.32	0.24	0.20	0.17	0.14	0.11
		P75	15.80	2.49	1.38	0.92	0.69	0.55	0.49	0.41	0.38	0.34
	Return on Assets	P50	0.08	0.09	0.10	0.09	0.09	0.08	0.07	0.06	0.04	0.00
		P75	0.15	0.18	0.19	0.19	0.20	0.20	0.20	0.19	0.15	0.07
	Return on Equity	P50	0.32	0.42	0.43	0.42	0.41	0.36	0.32	0.26	0.16	0.02
		P75	0.64	0.74	0.75	0.73	0.73	0.70	0.68	0.62	0.51	0.30
	Firm Age	P50	14.00	12.00	10.00	9.00	9.00	8.00	8.00	9.00	9.00	10.00
		P75	21.00	19.00	17.00	17.00	16.00	15.00	15.00	16.00	17.00	17.00

This table presents the median (P50) and the 75th (P75) percentile for corporate finance variables in 2005 by firm size as measured by sales. The sample is all nonlisted firms as defined in table 4.1, and the variables are defined in Appendix 6.A1. All variables, except for employees and ratios, are in millions of NOK as of 2005. The dividend figures only include the firms that pay dividends.

Table 6.S2. Corporate finance: Descriptive statistics for 2005 by firm size

Panel C. Large nonlisted firms

		Percentile	0	1	2	3	4	5	6	7	8	9
							Sales decile					
Size	Total Assets	P50	693.91	156.84	83.63	53.99	43.59	36.98	27.85	23.63	21.08	17.45
		P75	1,749.77	282.47	135.51	91.64	75.16	56.16	44.04	39.43	32.22	29.23
	Employees	P50	278.00	89.50	55.00	39.00	32.00	29.00	23.00	23.00	19.00	18.00
		P75	619.50	167.00	96.00	71.00	56.50	52.00	43.00	39.00	35.00	29.00
	Sales	P50	970.82	288.34	173.27	123.41	95.80	78.81	66.44	57.85	51.73	46.19
		P75	1,823.74	344.52	191.53	133.58	100.98	83.05	69.31	59.63	52.94	47.38
Growth	Growth of Assets	P50	1.08	1.10	1.09	1.11	1.08	1.07	1.08	1.10	1.10	1.09
		P75	1.23	1.27	1.23	1.28	1.23	1.26	1.27	1.25	1.27	1.29
	Growth of Sales	P50	1.10	1.10	1.12	1.10	1.09	1.08	1.09	1.09	1.11	1.10
		P75	1.22	1.26	1.28	1.29	1.25	1.22	1.26	1.25	1.26	1.29
	Growth of NOI	P50	1.11	1.10	1.10	1.08	0.91	1.07	1.04	0.95	1.01	1.06
		P75	1.76	1.75	1.92	2.02	1.68	1.87	1.80	1.71	1.78	1.80
Asset Structure	Current Assets (CA)	P50	336.84	96.61	55.02	38.29	29.44	25.33	19.64	16.23	15.42	12.57
		P75	635.79	146.78	81.32	54.95	42.41	35.47	28.44	25.11	22.09	19.40
	Cash and Others	P50	36.20	13.11	8.95	6.80	4.54	3.95	3.18	3.08	2.53	2.25
		P75	119.57	34.85	20.21	15.38	10.04	9.24	7.36	7.05	6.12	5.19
	Inventory	P50	51.63	14.11	5.01	5.62	3.78	3.46	2.64	2.36	1.93	1.78
		P75	126.36	35.00	20.47	14.44	10.91	10.51	8.48	6.66	5.17	4.23
	Investment (I)	P50	21.70	3.93	1.72	0.97	0.64	0.45	0.29	0.33	0.28	0.20
		P75	77.79	14.47	5.94	3.38	3.14	1.91	1.36	1.47	1.19	0.80
	Working Capital (WC)	P50	52.94	21.94	12.94	10.56	7.11	5.57	4.42	3.51	3.61	2.51
		P75	154.95	55.85	28.42	20.33	14.77	14.13	10.90	9.30	8.14	7.04
	Assets to Empl.	P50	2.29	1.65	1.57	1.38	1.38	1.19	1.08	0.94	0.94	0.95
		P75	6.97	3.78	3.85	2.53	2.95	2.31	2.32	2.02	2.42	2.02
	Sales to Empl.	P50	3.46	3.26	3.14	3.16	2.95	2.66	2.89	2.42	2.72	2.62
		P75	8.35	6.62	8.14	5.57	5.80	4.95	4.97	4.28	5.05	4.25
	CA to Assets	P50	0.60	0.73	0.75	0.77	0.76	0.81	0.83	0.81	0.83	0.85
		P75	0.82	0.88	0.92	0.92	0.90	0.93	0.94	0.92	0.94	0.94
	WC to Assets	P50	0.10	0.16	0.16	0.19	0.16	0.17	0.17	0.16	0.18	0.16
		P75	0.24	0.29	0.29	0.34	0.31	0.34	0.34	0.32	0.34	0.32
Invest.	I to Dpr. Assets (DA)	P50	0.18	0.20	0.19	0.15	0.14	0.15	0.14	0.14	0.16	0.13
		P75	0.35	0.56	0.51	0.47	0.39	0.53	0.43	0.49	0.55	0.46
	Depreciation to DA	P50	0.15	0.21	0.23	0.24	0.22	0.25	0.29	0.26	0.26	0.27
		P75	0.28	0.38	0.41	0.41	0.39	0.41	0.43	0.40	0.41	0.39
	IDA (A>10mill. NOK)	P50	0.18	0.20	0.19	0.15	0.14	0.15	0.15	0.16	0.15	0.12
		P75	0.35	0.56	0.51	0.47	0.39	0.54	0.52	0.50	0.57	0.42
Capital Structure	Total Debt	P50	425.63	104.99	56.36	36.74	30.29	25.42	19.16	16.09	14.48	12.95
		P75	1,063.71	177.77	91.76	57.85	48.41	38.57	27.82	25.25	20.19	20.58
	Current Debt	P50	258.96	67.95	38.89	26.05	21.23	17.17	12.52	11.32	9.86	8.40
		P75	506.20	99.44	57.18	36.49	30.86	25.40	18.57	17.22	14.39	12.76
	CD to Debt	P50	0.74	0.78	0.83	0.80	0.81	0.81	0.87	0.85	0.84	0.86
		P75	0.94	0.95	0.98	0.97	0.97	0.99	1.00	1.00	1.00	1.00
	Debt to Assets	P50	0.73	0.71	0.74	0.73	0.75	0.75	0.77	0.76	0.75	0.79
		P75	0.82	0.83	0.85	0.84	0.86	0.87	0.87	0.86	0.85	0.88
Pay-out	Dividends	P50	40.00	10.00	4.00	3.08	2.80	2.00	1.14	1.20	1.09	1.26
		P75	121.30	20.00	11.85	7.00	5.05	4.73	3.19	3.96	3.03	3.00
	Dividend Payout	P50	0.72	0.53	0.54	0.53	0.50	0.66	0.66	0.70	0.76	0.76
		P75	1.00	0.93	0.95	0.95	0.86	0.95	0.92	1.00	0.98	0.93
Profitability	Net Oper. Inc. (NOE)	P50	41.07	8.85	5.51	3.89	2.57	2.25	1.64	1.56	1.39	1.22
		P75	120.21	19.78	12.84	8.03	6.08	5.01	3.64	3.74	3.80	2.89
	Equity	P50	179.35	44.02	22.28	13.89	10.19	8.57	5.85	5.28	4.86	3.32
		P75	598.14	92.00	46.07	33.17	24.96	18.83	13.93	13.02	11.33	8.51
	Return on Assets	P50	0.07	0.07	0.08	0.08	0.07	0.08	0.08	0.09	0.10	0.09
		P75	0.12	0.12	0.13	0.15	0.14	0.14	0.14	0.15	0.17	0.17
	Return on Equity	P50	0.18	0.21	0.25	0.27	0.25	0.27	0.30	0.33	0.35	0.38
		P75	0.39	0.42	0.51	0.57	0.55	0.58	0.64	0.63	0.65	0.66
	Firm Age	P50	17.00	16.50	16.00	16.00	16.00	15.00	14.00	14.00	14.00	13.00
		P75	35.00	28.00	24.00	28.00	22.00	23.50	22.00	21.00	21.00	20.00

This table presents the median (P50) and the 75th (P75) percentile for corporate finance variables in 2005 by firm size as measured by sales. The sample is large nonlisted firms (5% largest by sales among the nonlisted) as defined in table 4.1. The variables are defined in Appendix 6.A1. All variables, except for employees and ratios, are in millions of NOK as of 2005. The dividend figures only include the firms that pay dividends.

Table 6.S2. Corporate finance: Descriptive statistics for 2005 by firm size

Panel D. Listed firms

		Percentile	0	1	2	3	4	5	6	7	8	9
Size	Total Assets	P50	20,770.00	2,204.80	1,278.93	592.75	573.37	325.98	178.69	273.16	258.47	225.02
		P75	57,279.00	3,226.18	1,767.00	799.31	1,890.77	1,461.00	1,425.14	535.94	421.91	423.80
	Employees	P50	5,455.00	1,135.00	1,098.00	443.00	192.00	165.00	122.50	28.00	133.50	40.00
		P75	19,929.00	1,670.00	2,069.00	574.00	369.00	504.00	200.00	59.00	398.00	106.00
	Sales	P50	14,695.60	2,542.93	1,545.97	533.71	337.91	195.23	100.88	48.19	15.71	2.34
		P75	63,883.00	3,001.19	1,669.42	682.52	400.05	232.49	142.11	53.91	21.34	6.21
Growth	Growth of Assets	P50	1.16	1.11	1.17	1.12	1.27	1.09	1.19	1.20	1.25	1.97
		P75	1.31	1.23	1.38	1.20	1.53	1.33	1.33	2.02	1.61	3.03
	Growth of Sales	P50	1.13	1.12	1.17	1.08	1.24	1.11	1.00	0.90	1.60	1.18
		P75	1.28	1.26	1.33	1.30	2.03	1.17	1.23	2.37	2.85	1.40
	Growth of NOI	P50	1.38	0.86	2.88	0.34	0.95	1.25	0.38	0.70	1.01	0.89
		P75	3.10	1.20	4.73	1.50	1.46	2.39	0.90	1.47	1.39	2.31
Asset Structure	Current Assets (CA)	P50	4,360.80	1,152.27	639.28	248.12	242.49	181.87	65.94	89.55	79.91	70.48
		P75	25,749.00	1,497.10	751.74	290.08	382.40	307.64	143.99	174.13	150.06	122.78
	Cash and Others	P50	702.00	200.49	120.42	39.66	113.13	83.52	31.01	18.77	25.22	13.43
		P75	6,806.00	361.16	236.32	95.20	157.06	168.16	71.38	34.60	84.25	119.00
	Inventory	P50	1,042.28	187.48	56.88	7.90	13.68	0.39	0.18	0.00	0.00	0.00
		P75	7,033.00	407.82	266.64	67.26	30.29	1.68	12.27	0.00	0.00	0.00
	Investment (I)	P50	2,101.00	174.22	136.60	25.01	10.19	7.11	2.36	2.97	1.53	0.23
		P75	9,580.00	387.59	498.00	71.65	82.65	31.55	21.81	25.77	4.11	3.22
	Working Capital (WC)	P50	614.56	247.10	107.28	64.28	125.64	92.69	30.42	48.52	24.71	35.05
		P75	1,419.52	430.87	232.63	112.54	171.91	268.00	81.66	138.53	121.18	82.36
	Assets to Empl.	P50	3.09	1.80	1.88	1.23	2.27	2.00	2.55	8.42	1.71	4.43
		P75	5.61	3.54	3.41	2.27	3.93	2.76	5.51	33.22	5.01	26.81
	Sales to Empl.	P50	3.01	2.71	1.33	1.20	2.03	1.15	1.21	1.66	0.09	0.05
		P75	4.54	6.90	3.33	2.09	3.59	1.51	2.06	4.10	0.62	0.24
	CA to Assets	P50	0.30	0.50	0.41	0.51	0.54	0.51	0.32	0.29	0.31	0.20
		P75	0.64	0.79	0.59	0.56	0.76	0.68	0.41	0.38	0.66	0.37
	WC to Assets	P50	0.03	0.13	0.06	0.08	0.21	0.10	0.17	0.11	0.15	0.09
		P75	0.20	0.28	0.18	0.27	0.33	0.22	0.30	0.28	0.42	0.30
Invest.	I to Dpr. Assets (DA)	P50	0.29	0.31	0.26	0.24	0.69	0.61	0.80	0.82	0.38	0.16
		P75	0.34	0.62	0.49	0.67	1.32	1.50	2.02	1.63	2.90	1.78
	Depreciation to DA	P50	0.10	0.15	0.13	0.14	0.34	0.16	0.54	0.19	0.32	0.22
		P75	0.15	0.34	0.22	0.26	0.47	0.58	0.68	0.37	0.67	0.33
	IDA (A>10mill. NOK)	P50	0.29	0.31	0.26	0.24	0.69	0.61	0.80	0.82	0.38	0.16
		P75	0.34	0.62	0.49	0.67	1.32	1.50	2.02	1.63	2.90	1.78
Capital Structure	Total Debt	P50	14,354.00	1,095.20	837.26	327.99	158.45	133.73	63.73	70.99	27.97	50.60
		P75	42,333.00	1,640.70	1,259.00	627.21	584.52	203.40	451.12	111.87	116.44	108.90
	Current Debt	P50	5,274.00	649.00	442.25	177.54	119.81	105.56	53.79	35.60	25.07	16.59
		P75	28,215.00	928.59	577.23	216.80	197.99	156.74	85.50	52.29	43.32	56.93
	CD to Debt	P50	0.50	0.65	0.52	0.63	0.76	0.92	0.77	0.54	0.90	0.74
		P75	0.59	0.86	0.67	0.73	0.93	0.96	0.95	0.69	1.00	1.00
	Debt to Assets	P50	0.60	0.59	0.68	0.56	0.43	0.37	0.48	0.25	0.16	0.19
		P75	0.69	0.72	0.73	0.63	0.56	0.67	0.55	0.29	0.38	0.32
Pay-out	Dividends	P50	11,629.50	0.00	204.96	34.15	161.79	20.98	119.92	11.70	10.48	37.36
		P75	17,756.00	0.00	204.96	34.15	248.00	276.20	212.37	18.15	20.69	70.88
	Dividend Payout	P50	0.45	0.00	0.27	0.41	1.15	0.67	0.57	0.35	0.66	1.08
		P75	0.54	0.00	0.27	0.41	2.05	0.89	0.94	0.37	1.05	1.43
Profitability	Net Oper. Inc. (NOE)	P50	947.00	87.75	62.35	25.91	37.86	31.55	4.03	6.54	2.99	-9.77
		P75	3,210.00	157.77	170.79	84.23	121.00	310.52	135.86	53.49	13.75	5.23
	Equity	P50	6,416.00	1,109.60	473.57	234.41	254.43	292.58	122.44	216.97	203.89	194.29
		P75	22,679.00	1,718.33	861.60	317.71	1,174.50	761.77	974.02	412.72	406.04	423.00
	Return on Assets	P50	0.08	0.05	0.05	0.06	0.10	0.14	0.05	0.09	0.02	-0.01
		P75	0.11	0.10	0.09	0.09	0.23	0.16	0.18	0.16	0.05	0.00
	Return on Equity	P50	0.17	0.12	0.17	0.09	0.17	0.17	0.01	0.02	0.02	-0.03
		P75	0.24	0.20	0.22	0.25	0.26	0.40	0.14	0.16	0.10	0.00
	Firm Age	P50	19.00	19.00	33.50	44.00	19.50	14.00	13.00	18.00	13.00	8.00
		P75	70.00	21.00	68.00	79.00	40.00	26.00	15.00	70.00	21.00	12.00

This table presents the median (P50) and the 75th (P75) percentile for corporate finance variables in 2005 by firm size as measured by sales. The sample is listed firms as defined in table 4.1, and the variables are defined in Appendix 6.A1. All variables, except for employees and ratios, are in millions of NOK as of 2005. The dividend figures only include the firms that pay dividends.

Table 6.S3. Corporate finance: Descriptive statistics time series

Panel A. All firms

		Percentile	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005
Size	Total Assets	P50	1.58	1.59	1.63	1.68	1.69	1.74	1.78	1.80	1.77	1.75	1.82	1.80
		P75	4.56	4.57	4.74	4.88	4.92	5.09	5.17	5.12	5.02	4.92	5.19	5.11
	Employees	P50	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00
		P75	8.00	8.00	8.00	7.00	7.00	7.00	7.00	7.00	7.00	7.00	7.00	7.00
	Sales	P50	2.90	2.83	2.84	2.80	2.71	2.73	2.71	2.67	2.69	2.64	2.82	2.74
		P75	8.46	8.37	8.44	8.44	8.14	8.05	7.97	7.76	7.81	7.55	8.08	7.77
Growth	Growth of Assets	P50	0.00	1.05	1.04	1.06	1.05	1.04	1.03	1.02	1.00	1.00	1.02	1.02
		P75	0.00	1.27	1.27	1.32	1.30	1.27	1.26	1.23	1.19	1.19	1.24	1.25
	Growth of Sales	P50	0.00	1.05	1.06	1.08	1.07	1.04	1.05	1.04	1.03	1.01	1.05	1.05
		P75	0.00	1.26	1.26	1.30	1.28	1.24	1.25	1.23	1.21	1.19	1.26	1.25
	Growth of NOI	P50	0.00	0.66	0.71	0.77	0.70	0.66	0.64	0.65	0.67	0.62	0.73	0.66
		P75	0.00	1.53	1.59	1.71	1.56	1.50	1.44	1.46	1.50	1.40	1.61	1.50
Asset Structure	Current Assets (CA)	P50	0.89	0.89	0.91	0.93	0.92	0.95	0.97	0.98	0.97	0.96	1.04	1.03
		P75	2.62	2.60	2.68	2.74	2.69	2.77	2.80	2.79	2.72	2.69	2.94	2.87
	Cash and Others	P50	0.19	0.18	0.18	0.20	0.20	0.21	0.22	0.23	0.24	0.25	0.27	0.27
		P75	0.70	0.66	0.67	0.70	0.71	0.74	0.73	0.78	0.80	0.80	0.86	0.85
	Inventory	P50	0.06	0.05	0.05	0.04	0.02	0.01	0.01	0.00	0.00	0.00	0.00	0.00
		P75	0.62	0.60	0.59	0.55	0.50	0.47	0.43	0.40	0.40	0.39	0.40	0.37
	Investment (I)	P50	0.00	0.03	0.03	0.04	0.04	0.03	0.03	0.02	0.02	0.01	0.02	0.02
		P75	0.00	0.28	0.29	0.30	0.34	0.29	0.25	0.23	0.19	0.17	0.19	0.20
	Working Capital (WC)	P50	0.10	0.11	0.12	0.14	0.12	0.12	0.13	0.11	0.09	0.10	0.09	0.18
		P75	0.57	0.59	0.64	0.68	0.63	0.62	0.67	0.60	0.48	0.48	0.44	0.76
	Assets to Empl.	P50	0.31	0.33	0.35	0.38	0.40	0.41	0.43	0.45	0.45	0.46	0.48	0.48
		P75	0.66	0.70	0.73	0.80	0.84	0.84	0.89	0.93	0.94	0.96	1.00	1.04
	Sales to Empl.	P50	0.65	0.66	0.69	0.74	0.77	0.77	0.79	0.82	0.85	0.86	0.92	0.88
		P75	1.24	1.26	1.30	1.36	1.40	1.37	1.41	1.45	1.49	1.50	1.60	1.59
	CA to Assets	P50	0.77	0.77	0.76	0.77	0.76	0.75	0.75	0.75	0.76	0.76	0.78	0.79
		P75	0.94	0.94	0.94	0.94	0.94	0.93	0.93	0.93	0.93	0.94	0.95	0.95
	WC to Assets	P50	0.10	0.11	0.12	0.13	0.12	0.11	0.12	0.10	0.08	0.08	0.07	0.15
		P75	0.30	0.30	0.31	0.32	0.31	0.30	0.32	0.29	0.26	0.27	0.24	0.36
Invest.	I to Dpr. Assets (DA)	P50	0.00	0.06	0.05	0.06	0.08	0.05	0.04	0.03	0.02	0.01	0.02	0.02
		P75	0.00	0.53	0.51	0.54	0.58	0.47	0.40	0.36	0.30	0.28	0.33	0.36
	Depreciation to DA	P50	0.00	0.24	0.24	0.24	0.24	0.24	0.23	0.23	0.23	0.23	0.24	0.24
		P75	0.00	0.37	0.37	0.38	0.38	0.38	0.37	0.37	0.37	0.38	0.39	0.39
	IDA (A>10mill. NOK)	P50	0.00	0.17	0.17	0.19	0.24	0.14	0.11	0.09	0.07	0.06	0.07	0.09
		P75	0.00	0.60	0.59	0.62	0.76	0.52	0.43	0.40	0.33	0.30	0.35	0.43
Capital Structure	Total Debt	P50	1.21	1.22	1.23	1.25	1.26	1.32	1.32	1.37	1.43	1.43	1.55	1.35
		P75	3.32	3.34	3.40	3.49	3.53	3.69	3.69	3.80	3.91	3.90	4.26	3.79
	Current Debt	P50	0.78	0.76	0.75	0.77	0.77	0.81	0.79	0.85	0.89	0.88	0.98	0.79
		P75	2.08	2.05	2.05	2.10	2.09	2.20	2.18	2.27	2.37	2.34	2.63	2.13
	CD to Debt	P50	0.88	0.88	0.88	0.88	0.88	0.88	0.88	0.89	0.90	0.90	0.90	0.90
		P75	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
	Debt to Assets	P50	0.79	0.78	0.77	0.76	0.77	0.78	0.77	0.79	0.83	0.83	0.86	0.77
		P75	0.94	0.94	0.93	0.92	0.91	0.90	0.90	0.90	0.90	0.90	0.90	0.90
Pay-out	Dividends	P50	0.13	0.15	0.15	0.18	0.23	0.30	0.22	0.32	0.42	0.38	0.41	0.50
		P75	0.32	0.37	0.39	0.46	0.58	0.71	0.55	0.85	1.05	0.95	1.07	1.50
	Dividend Payout	P50	0.51	0.52	0.51	0.51	0.80	0.85	0.70	0.92	1.00	1.00	1.01	0.75
		P75	0.73	0.74	0.72	0.70	1.00	1.06	0.98	1.25	1.55	1.30	1.38	0.98
Profitability	Net Oper. Inc. (NOE)	P50	0.05	0.05	0.05	0.06	0.06	0.06	0.05	0.05	0.06	0.07	0.10	0.10
		P75	0.24	0.23	0.26	0.30	0.30	0.32	0.30	0.29	0.32	0.34	0.43	0.44
	Equity	P50	0.03	0.25	0.28	0.31	0.30	0.30	0.32	0.30	0.26	0.25	0.23	0.36
		P75	0.34	1.03	1.10	1.18	1.20	1.18	1.25	1.13	0.96	0.88	0.79	1.16
	Return on Assets	P50	0.07	0.06	0.07	0.07	0.07	0.07	0.06	0.06	0.07	0.06	0.07	0.07
		P75	0.14	0.14	0.14	0.15	0.16	0.16	0.15	0.15	0.16	0.16	0.18	0.18
	Return on Equity	P50	0.25	0.22	0.23	0.26	0.25	0.25	0.22	0.22	0.26	0.28	0.38	0.31
		P75	0.79	0.58	0.60	0.65	0.68	0.71	0.64	0.70	0.87	0.91	1.17	0.67
	Firm Age	P50	10.00	9.00	9.00	8.00	8.00	8.00	8.00	9.00	9.00	9.00	9.00	10.00
		P75	12.00	13.00	14.00	15.00	14.00	14.00	14.00	15.00	15.00	16.00	17.00	17.00

This table presents the median (P50) and the 75th (P75) percentile for corporate finance variables per year for the sample period 1994-2005. The sample is all firms as defined in table 4.1, and the variables are defined in Appendix 6.A1. All variables, except for employees and ratios, are in millions of NOK as of 2005. The dividend figures only include the firms that pay dividends.

Table 6.S3. Corporate finance: Descriptive statistics time series

Panel B. Nonlisted firms

		Percentile	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005
Size	Total Assets	P50	1.57	1.58	1.63	1.67	1.68	1.74	1.78	1.79	1.77	1.75	1.82	1.79
		P75	4.53	4.54	4.71	4.85	4.88	5.04	5.13	5.08	5.00	4.90	5.16	5.07
	Employees	P50	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00
		P75	8.00	8.00	7.00	7.00	7.00	7.00	7.00	7.00	7.00	7.00	7.00	7.00
	Sales	P50	2.89	2.82	2.83	2.79	2.70	2.72	2.70	2.67	2.68	2.64	2.82	2.73
		P75	8.41	8.33	8.38	8.38	8.08	8.00	7.93	7.72	7.77	7.52	8.04	7.74
Growth	Growth of Assets	P50	0.00	1.05	1.04	1.06	1.05	1.04	1.03	1.02	1.00	1.00	1.02	1.02
		P75	0.00	1.27	1.27	1.31	1.30	1.27	1.26	1.23	1.19	1.19	1.24	1.25
	Growth of Sales	P50	0.00	1.05	1.06	1.08	1.07	1.04	1.05	1.04	1.03	1.01	1.05	1.05
		P75	0.00	1.26	1.26	1.30	1.28	1.24	1.25	1.23	1.21	1.19	1.26	1.25
	Growth of NOI	P50	0.00	0.66	0.71	0.77	0.70	0.66	0.64	0.65	0.67	0.62	0.73	0.66
		P75	0.00	1.53	1.59	1.71	1.56	1.50	1.44	1.46	1.50	1.40	1.61	1.50
Asset Structure	Current Assets (CA)	P50	0.89	0.89	0.90	0.93	0.92	0.95	0.96	0.97	0.97	0.96	1.04	1.03
		P75	2.61	2.59	2.66	2.72	2.66	2.75	2.78	2.77	2.71	2.68	2.92	2.85
	Cash and Others	P50	0.19	0.18	0.18	0.20	0.20	0.21	0.22	0.23	0.24	0.25	0.27	0.27
		P75	0.69	0.65	0.66	0.70	0.71	0.74	0.73	0.78	0.80	0.79	0.86	0.85
	Inventory	P50	0.06	0.05	0.05	0.04	0.02	0.01	0.01	0.00	0.00	0.00	0.00	0.00
		P75	0.61	0.59	0.59	0.55	0.49	0.46	0.42	0.40	0.40	0.38	0.40	0.37
	Investment (I)	P50	0.00	0.03	0.03	0.04	0.04	0.03	0.03	0.02	0.02	0.01	0.02	0.02
		P75	0.00	0.28	0.28	0.30	0.34	0.29	0.25	0.23	0.19	0.17	0.19	0.19
	Working Capital (WC)	P50	0.10	0.11	0.12	0.14	0.12	0.12	0.13	0.11	0.09	0.10	0.09	0.18
		P75	0.57	0.59	0.64	0.67	0.63	0.62	0.67	0.59	0.47	0.47	0.44	0.76
	Assets to Empl.	P50	0.31	0.33	0.35	0.38	0.40	0.41	0.43	0.45	0.45	0.46	0.48	0.47
		P75	0.66	0.69	0.73	0.80	0.84	0.84	0.89	0.93	0.93	0.95	1.00	1.04
	Sales to Empl.	P50	0.65	0.66	0.69	0.73	0.77	0.77	0.79	0.82	0.85	0.86	0.92	0.88
		P75	1.24	1.26	1.30	1.36	1.40	1.37	1.41	1.45	1.49	1.50	1.60	1.59
	CA to Assets	P50	0.77	0.77	0.77	0.77	0.76	0.75	0.75	0.75	0.76	0.77	0.78	0.79
		P75	0.94	0.94	0.94	0.94	0.94	0.93	0.93	0.93	0.93	0.94	0.95	0.95
	WC to Assets	P50	0.10	0.11	0.12	0.13	0.12	0.11	0.12	0.10	0.08	0.08	0.07	0.15
		P75	0.30	0.30	0.31	0.32	0.31	0.30	0.32	0.29	0.26	0.27	0.24	0.36
Invest.	I to Dpr. Assets (DA)	P50	0.00	0.06	0.05	0.06	0.08	0.05	0.04	0.03	0.02	0.01	0.02	0.02
		P75	0.00	0.53	0.51	0.53	0.58	0.47	0.40	0.36	0.30	0.28	0.33	0.35
	Depreciation to DA	P50	0.00	0.24	0.24	0.24	0.24	0.24	0.23	0.23	0.23	0.23	0.24	0.24
		P75	0.00	0.37	0.37	0.38	0.38	0.38	0.37	0.37	0.37	0.38	0.39	0.39
	IDA (A>10mill. NOK)	P50	0.00	0.17	0.17	0.19	0.24	0.14	0.10	0.09	0.07	0.06	0.07	0.09
		P75	0.00	0.60	0.58	0.62	0.76	0.51	0.43	0.39	0.33	0.30	0.35	0.42
Capital Structure	Total Debt	P50	1.21	1.21	1.23	1.25	1.26	1.32	1.31	1.37	1.42	1.43	1.54	1.34
		P75	3.30	3.31	3.38	3.46	3.51	3.67	3.67	3.77	3.89	3.88	4.24	3.77
	Current Debt	P50	0.77	0.76	0.75	0.76	0.76	0.80	0.79	0.84	0.89	0.88	0.97	0.79
		P75	2.06	2.04	2.04	2.09	2.08	2.18	2.16	2.26	2.36	2.33	2.62	2.11
	CD to Debt	P50	0.88	0.88	0.88	0.88	0.88	0.88	0.88	0.89	0.90	0.90	0.90	0.90
		P75	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
	Debt to Assets	P50	0.79	0.79	0.77	0.76	0.77	0.78	0.77	0.79	0.83	0.83	0.87	0.77
		P75	0.94	0.94	0.93	0.92	0.91	0.90	0.90	0.90	0.90	0.90	0.90	0.90
Pay-out	Dividends	P50	0.13	0.14	0.15	0.18	0.23	0.29	0.22	0.32	0.42	0.37	0.41	0.50
		P75	0.31	0.37	0.39	0.45	0.58	0.70	0.55	0.85	1.05	0.94	1.06	1.48
	Dividend Payout	P50	0.51	0.52	0.51	0.51	0.80	0.85	0.70	0.92	1.00	1.00	1.01	0.75
		P75	0.73	0.74	0.72	0.70	1.00	1.06	0.98	1.25	1.55	1.30	1.38	0.98
Profitability	Net Oper. Inc. (NOE)	P50	0.05	0.04	0.05	0.06	0.06	0.06	0.05	0.05	0.06	0.07	0.10	0.10
		P75	0.24	0.23	0.26	0.30	0.30	0.31	0.30	0.29	0.32	0.34	0.43	0.43
	Equity	P50	0.03	0.25	0.28	0.31	0.30	0.30	0.32	0.30	0.26	0.25	0.23	0.35
		P75	0.34	1.02	1.09	1.17	1.19	1.16	1.24	1.12	0.95	0.87	0.79	1.15
	Return on Assets	P50	0.07	0.06	0.07	0.07	0.07	0.07	0.06	0.06	0.07	0.06	0.07	0.07
		P75	0.15	0.14	0.14	0.15	0.16	0.16	0.15	0.15	0.16	0.16	0.18	0.18
	Return on Equity	P50	0.25	0.22	0.24	0.26	0.25	0.25	0.22	0.22	0.26	0.28	0.38	0.31
		P75	0.79	0.58	0.60	0.65	0.69	0.71	0.64	0.71	0.87	0.91	1.17	0.67
	Firm Age	P50	10.00	9.00	9.00	8.00	8.00	8.00	8.00	8.00	9.00	9.00	9.00	10.00
		P75	12.00	13.00	14.00	15.00	14.00	14.00	14.00	15.00	15.00	16.00	17.00	17.00

This table presents the median (P50) and the 75th (P75) percentile for corporate finance variables per year for the sample period 1994-2005. The sample is all nonlisted firms as defined in table 4.1, and the variables are defined in Appendix 6.A1. All variables, except for employees and ratios, are in millions of NOK as of 2005. The dividend figures only include the firms that pay dividends.

Table 6.S3. Corporate finance: Descriptive statistics time series

Panel C. Large nonlisted firms

		Percentile	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005
Size	Total Assets	P50	44.67	44.87	44.27	45.46	45.19	47.08	48.07	44.47	43.55	41.62	44.92	45.29
		P75	111.07	111.31	112.81	117.31	113.50	123.97	127.36	119.51	121.41	113.28	119.32	124.77
	Employees	P50	45.00	43.00	42.00	41.00	39.00	40.00	38.00	35.00	35.00	34.00	35.00	33.00
		P75	101.00	97.00	95.00	90.00	86.00	87.00	86.00	81.00	80.00	76.00	76.00	76.00
	Sales	P50	94.24	91.56	93.10	94.72	92.30	89.67	88.30	84.31	83.60	80.57	86.62	86.99
		P75	185.32	182.61	187.90	188.55	184.42	179.06	175.81	169.96	163.58	154.39	167.51	173.26
Growth	Growth of Assets	P50	0.00	1.09	1.08	1.12	1.11	1.08	1.08	1.04	1.02	1.03	1.08	1.09
		P75	0.00	1.26	1.25	1.30	1.30	1.24	1.27	1.20	1.15	1.16	1.23	1.26
	Growth of Sales	P50	0.00	1.09	1.10	1.11	1.10	1.05	1.08	1.07	1.04	1.05	1.11	1.10
		P75	0.00	1.24	1.25	1.27	1.27	1.19	1.24	1.23	1.17	1.16	1.26	1.26
	Growth of NOI	P50	0.00	0.93	0.99	1.05	0.95	0.88	0.89	0.92	0.95	0.89	1.03	1.04
		P75	0.00	1.58	1.68	1.72	1.68	1.52	1.54	1.60	1.62	1.50	1.83	1.81
Asset Structure	Current Assets (CA)	P50	28.47	29.04	29.01	29.66	28.99	29.63	30.29	28.45	27.22	26.53	29.25	29.68
		P75	63.56	62.29	65.09	66.81	64.69	66.47	68.96	63.43	59.86	59.36	63.98	68.73
	Cash and Others	P50	5.04	4.47	4.65	4.61	4.49	4.61	4.32	4.43	4.75	4.65	4.82	5.02
		P75	15.14	13.80	13.43	13.65	13.00	13.07	12.98	12.55	13.09	12.87	13.56	13.95
	Inventory	P50	6.54	6.55	6.28	6.04	5.95	5.32	5.04	4.53	3.93	3.79	3.80	3.48
		P75	16.32	16.49	15.95	16.12	16.10	15.06	14.71	13.86	13.05	12.42	13.29	12.84
	Investment (I)	P50	0.00	1.40	1.37	1.39	1.50	1.32	1.13	0.98	0.74	0.64	0.72	0.71
		P75	0.00	5.71	6.07	6.16	7.36	6.56	5.53	4.89	3.91	3.58	3.62	4.15
	Working Capital (WC)	P50	5.79	5.81	6.18	6.53	6.09	6.20	6.58	5.56	4.66	4.56	4.39	6.70
		P75	17.81	17.69	18.67	19.41	18.55	19.58	20.18	18.01	16.07	15.67	15.49	19.23
	Assets to Empl.	P50	0.76	0.80	0.85	0.97	0.99	1.04	1.13	1.15	1.14	1.11	1.22	1.29
		P75	1.51	1.59	1.69	1.92	2.01	2.13	2.42	2.43	2.36	2.35	2.60	2.89
	Sales to Empl.	P50	1.87	1.96	2.12	2.29	2.35	2.25	2.39	2.51	2.51	2.53	2.78	2.91
		P75	3.38	3.53	3.80	4.10	4.28	4.03	4.34	4.29	4.35	4.36	5.00	5.60
	CA to Assets	P50	0.73	0.74	0.74	0.75	0.74	0.73	0.73	0.72	0.73	0.74	0.76	0.78
		P75	0.89	0.89	0.89	0.90	0.91	0.89	0.88	0.88	0.88	0.89	0.90	0.92
	WC to Assets	P50	0.15	0.15	0.16	0.16	0.15	0.15	0.15	0.14	0.12	0.12	0.10	0.16
		P75	0.29	0.29	0.29	0.30	0.29	0.30	0.29	0.27	0.27	0.26	0.25	0.31
Invest.	I to Dpr. Assets (DA)	P50	0.00	0.26	0.23	0.26	0.29	0.23	0.19	0.16	0.13	0.13	0.14	0.16
		P75	0.00	0.66	0.63	0.66	0.75	0.61	0.51	0.45	0.39	0.38	0.42	0.47
	Depreciation to DA	P50	0.00	0.23	0.23	0.23	0.24	0.23	0.21	0.21	0.21	0.23	0.23	0.24
		P75	0.00	0.37	0.37	0.39	0.39	0.38	0.36	0.37	0.36	0.37	0.39	0.39
	IDA (A>10mill. NOK)	P50	0.00	0.25	0.23	0.27	0.29	0.23	0.19	0.17	0.13	0.13	0.14	0.16
		P75	0.00	0.66	0.62	0.65	0.75	0.59	0.50	0.45	0.38	0.37	0.41	0.47
Capital Structure	Total Debt	P50	30.57	30.09	29.86	30.22	30.04	31.45	31.87	30.88	30.34	29.21	30.26	30.26
		P75	72.62	71.62	71.59	74.83	73.70	79.35	82.97	81.68	78.86	77.67	81.58	79.81
	Current Debt	P50	20.22	20.24	20.63	21.39	20.72	20.93	21.03	20.33	20.76	19.14	22.58	20.53
		P75	45.93	46.47	45.23	46.44	47.11	46.82	49.24	45.56	46.25	44.79	49.44	46.13
	CD to Debt	P50	0.80	0.80	0.81	0.82	0.82	0.79	0.79	0.80	0.81	0.80	0.83	0.82
		P75	0.98	0.98	0.99	0.99	0.99	0.97	0.97	0.98	0.98	0.98	0.98	0.98
	Debt to Assets	P50	0.75	0.74	0.73	0.73	0.73	0.74	0.74	0.75	0.77	0.78	0.80	0.75
		P75	0.87	0.86	0.85	0.85	0.85	0.85	0.85	0.86	0.88	0.89	0.90	0.86
Pay-out	Dividends	P50	1.06	1.20	1.21	1.41	1.61	1.90	1.53	2.12	3.14	2.79	4.06	3.00
		P75	2.82	3.30	3.45	3.79	4.39	5.06	4.36	5.29	7.84	8.02	10.22	10.00
	Dividend Payout	P50	0.44	0.40	0.42	0.46	0.50	0.58	0.50	0.67	0.92	0.92	1.00	0.65
		P75	0.61	0.60	0.59	0.59	0.88	0.97	0.89	1.00	1.35	1.25	1.41	0.95
Profitability	Net Oper. Inc. (NOE)	P50	1.87	1.83	1.94	2.23	1.93	1.81	1.57	1.51	1.68	1.73	2.58	2.86
		P75	5.47	5.72	5.51	6.23	5.74	5.64	5.57	4.99	5.40	5.69	7.19	8.42
	Equity	P50	0.00	10.68	11.28	11.76	11.55	11.89	12.32	11.02	10.29	9.40	9.17	11.38
		P75	9.96	32.47	33.26	35.49	35.44	38.89	40.01	37.03	35.68	33.06	32.55	38.66
	Return on Assets	P50	0.08	0.08	0.08	0.08	0.07	0.07	0.06	0.07	0.07	0.07	0.08	0.08
		P75	0.13	0.12	0.12	0.13	0.13	0.12	0.11	0.12	0.13	0.13	0.14	0.14
	Return on Equity	P50	0.27	0.21	0.22	0.23	0.21	0.19	0.17	0.16	0.19	0.20	0.28	0.27
		P75	0.74	0.43	0.44	0.48	0.46	0.44	0.40	0.44	0.55	0.59	0.78	0.57
	Firm Age	P50	12.00	13.00	14.00	14.00	13.00	13.00	13.00	13.00	14.00	14.00	15.00	15.00
		P75	21.00	22.00	22.00	22.00	22.00	22.00	24.00	23.00	23.50	23.00	23.00	23.00

This table presents the median (P50) and the 75th (P75) percentile for corporate finance variables per year for the sample period 1994-2005. The sample is large nonlisted firms (the 5% largest by sales among the nonlisted) as defined in table 4.1, and the variables are defined in Appendix 6.A1. All variables, except for employees and ratios, are in millions of NOK as of 2005. The dividend figures only include the firms that pay dividends.

Table 6.S3. Corporate finance: Descriptive statistics time series

Panel D. Listed firms

		Percentile	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005
Size	Total Assets	P50	720.57	717.42	716.56	692.83	743.15	805.73	836.17	774.14	596.09	598.31	637.73	638.12
		P75	2,644.88	2,348.46	2,220.36	1,810.51	2,255.62	2,381.84	2,558.60	2,512.80	2,225.26	2,608.56	2,622.41	2,299.94
	Employees	P50	533.00	535.00	424.50	371.50	448.00	392.50	347.00	370.50	340.50	331.00	326.00	248.00
		P75	1,759.00	1,533.00	1,622.00	1,179.00	1,347.00	1,134.00	989.00	1,351.00	1,242.50	1,336.00	1,420.00	944.00
	Sales	P50	424.73	447.79	385.28	304.81	281.08	276.60	303.72	306.12	267.60	305.10	245.14	271.06
		P75	1,431.29	1,436.41	1,134.99	939.22	875.68	963.10	984.99	1,097.07	1,243.00	1,391.35	1,518.31	1,526.87
Growth	Growth of Assets	P50	0.00	1.08	1.17	1.22	1.14	1.05	1.11	0.97	0.92	1.02	1.06	1.16
		P75	0.00	1.28	1.51	1.73	1.35	1.32	1.65	1.11	1.04	1.14	1.25	1.47
	Growth of Sales	P50	0.00	1.11	1.13	1.20	1.12	1.03	1.13	1.07	1.00	0.95	1.08	1.13
		P75	0.00	1.38	1.36	1.63	1.45	1.23	1.47	1.31	1.24	1.15	1.34	1.42
	Growth of NOI	P50	0.00	1.12	0.87	1.12	0.63	0.74	0.61	0.43	0.49	0.58	0.99	0.93
		P75	0.00	2.12	1.71	2.37	1.61	1.54	1.86	1.51	1.62	1.13	1.70	1.78
Asset Structure	Current Assets (CA)	P50	237.85	223.14	212.41	191.93	189.88	188.49	210.54	244.24	208.24	212.97	207.65	230.47
		P75	693.36	740.42	775.08	578.16	580.46	621.24	798.00	759.97	550.44	608.73	702.92	688.07
	Cash and Others	P50	78.74	82.26	71.34	55.54	43.03	54.91	45.78	44.96	48.11	47.07	57.69	89.26
		P75	240.47	213.04	185.45	165.92	138.12	126.98	175.23	141.63	163.07	184.17	183.29	214.85
	Inventory	P50	4.54	3.76	2.00	4.48	1.52	0.89	1.38	4.40	2.32	2.47	4.20	1.64
		P75	76.40	81.74	76.33	54.53	58.24	60.33	59.24	69.25	43.71	65.33	63.97	67.26
	Investment (I)	P50	0.00	24.76	24.31	16.52	20.88	31.75	13.09	15.37	6.00	5.32	8.90	16.29
		P75	0.00	75.05	160.95	62.23	114.17	191.17	94.87	140.60	44.29	63.67	64.23	174.22
	Working Capital (WC)	P50	55.92	76.33	77.09	75.24	68.60	66.75	73.17	60.59	39.67	36.20	35.14	82.01
		P75	171.15	213.43	262.83	217.06	202.22	214.55	239.43	222.69	192.81	180.88	218.50	228.11
	Assets to Empl.	P50	0.89	1.02	1.16	1.22	1.20	1.30	1.72	1.53	1.53	1.50	1.69	2.30
		P75	3.60	3.36	3.11	3.66	3.93	3.65	5.88	5.60	5.14	3.80	4.13	5.01
	Sales to Empl.	P50	0.80	0.80	0.83	0.86	0.81	0.86	1.09	1.09	0.97	0.90	1.06	1.24
		P75	1.98	1.98	1.62	1.77	1.63	1.92	2.26	2.11	2.42	2.09	2.69	3.01
	CA to Assets	P50	0.29	0.35	0.40	0.40	0.35	0.34	0.37	0.36	0.34	0.34	0.45	0.36
		P75	0.53	0.58	0.60	0.64	0.61	0.55	0.59	0.58	0.61	0.61	0.63	0.62
	WC to Assets	P50	0.13	0.14	0.15	0.18	0.13	0.13	0.12	0.12	0.09	0.11	0.13	0.10
		P75	0.23	0.25	0.34	0.37	0.30	0.28	0.31	0.29	0.26	0.25	0.30	0.27
Invest.	I to Dpr. Assets (DA)	P50	0.00	0.24	0.41	0.40	0.40	0.38	0.21	0.20	0.09	0.10	0.16	0.31
		P75	0.00	0.88	1.48	1.10	0.98	1.52	0.86	0.86	0.40	0.29	0.47	0.96
	Depreciation to DA	P50	0.00	0.18	0.23	0.24	0.23	0.22	0.17	0.15	0.17	0.16	0.21	0.19
		P75	0.00	0.44	0.60	0.53	0.44	0.45	0.36	0.29	0.30	0.30	0.36	0.38
	IDA (A>10mill. NOK)	P50	0.00	0.24	0.41	0.40	0.40	0.38	0.21	0.20	0.09	0.10	0.16	0.31
		P75	0.00	0.88	1.48	1.10	0.98	1.52	0.86	0.86	0.40	0.29	0.47	0.96
Capital Structure	Total Debt	P50	424.07	380.99	355.48	269.94	248.73	317.47	294.65	331.57	276.64	288.49	222.94	230.30
		P75	1,775.96	1,330.45	1,359.34	942.87	980.91	1,011.48	1,182.19	1,334.53	1,128.64	1,223.04	1,273.47	892.02
	Current Debt	P50	149.72	139.62	115.36	114.37	103.47	117.06	123.63	141.02	118.26	137.95	121.44	117.56
		P75	573.56	509.98	407.55	287.63	321.13	360.48	407.34	490.23	395.71	442.26	427.28	437.28
	CD to Debt	P50	0.42	0.45	0.46	0.55	0.50	0.48	0.55	0.50	0.58	0.59	0.66	0.64
		P75	0.57	0.69	0.73	0.94	0.86	0.87	0.87	0.91	0.92	0.92	0.91	0.91
	Debt to Assets	P50	0.58	0.55	0.54	0.48	0.50	0.49	0.53	0.51	0.54	0.51	0.49	0.47
		P75	0.69	0.68	0.65	0.63	0.64	0.64	0.69	0.70	0.69	0.68	0.65	0.61
Pay-out	Dividends	P50	24.04	16.74	24.26	27.20	26.09	30.51	48.66	52.82	44.36	39.18	63.11	28.21
		P75	91.43	40.16	73.04	57.74	64.19	71.90	91.64	75.80	99.16	91.42	167.80	212.37
	Dividend Payout	P50	0.28	0.34	0.30	0.32	0.35	0.34	0.53	0.44	0.44	0.45	0.52	0.54
		P75	0.61	0.51	0.40	0.52	0.56	0.63	0.90	1.11	0.99	0.65	0.80	0.89
Profitability	Net Oper. Inc. (NOE)	P50	17.46	25.17	18.78	16.43	12.73	5.59	4.95	-1.66	-4.25	9.89	12.98	27.54
		P75	57.97	66.60	98.30	95.63	43.74	41.77	66.34	29.48	35.22	59.29	75.92	148.91
	Equity	P50	0.00	289.27	334.41	340.86	341.86	336.62	323.25	307.80	259.98	275.27	277.39	342.28
		P75	93.39	799.35	900.47	902.68	888.46	1,118.37	1,173.73	1,018.92	928.09	1,213.51	1,085.98	1,275.97
	Return on Assets	P50	0.05	0.06	0.05	0.05	0.04	0.03	0.03	0.02	0.02	0.03	0.05	0.05
		P75	0.09	0.09	0.09	0.10	0.07	0.07	0.06	0.05	0.06	0.07	0.08	0.12
	Return on Equity	P50	0.11	0.12	0.10	0.10	0.04	0.03	0.02	0.00	-0.01	0.04	0.07	0.11
		P75	0.18	0.20	0.19	0.20	0.14	0.12	0.11	0.07	0.11	0.13	0.17	0.21
	Firm Age	P50	29.00	24.50	22.00	15.00	15.00	16.00	16.00	17.00	17.00	19.00	17.00	16.00
		P75	77.50	70.00	61.50	45.00	39.00	47.00	40.00	41.50	40.00	44.00	39.00	37.00

This table presents the median (P50) and the 75th (P75) percentile for corporate finance variables per year for the sample period 1994-2005. The sample is listed firms as defined in table 4.1, and the variables are defined in Appendix 6.A1. All variables, except for employees and ratios, are in millions of NOK as of 2005. The dividend figures only include the firms that pay dividends.

Table 6.1.1. Aggregate activity levels by employment-based firm size groups

Panel A. All firms

Firm size group	Firms		Employees		Assets		Sales	
Small	76,340	92%	313.8	26%	654	24%	594	23%
Medium	5,258	6%	196.8	16%	287	10%	326	12%
Large	971	1%	692.4	58%	1,829	66%	1,704	65%
All	82,569		1,203.1		2,770		2,624	

Panel B. Nonlisted firms

Firm size group	Firms		Employees		Assets		Sales	
Small	76,324	93%	313.7	32%	633	36%	591	34%
Medium	5,233	6%	195.5	20%	273	15%	323	19%
Large	878	1%	470.2	48%	857	49%	806	47%
All	82,435		979.4		1,762		1,719	

Panel C. Listed firms

Firm size group	Firms		Employees		Assets		Sales	
Small	16	12%	0.1	0%	21	2%	3	0%
Medium	25	19%	1.3	1%	15	1%	3	0%
Large	93	69%	222.2	99%	972	96%	899	99%
All	134		223.7		1,008		905	

This table presents aggregate activity levels for firms in three size groups (small, medium, and large) according to their number of employees. The sample, which is based on the population of Norwegian firms with limited liability in 2005, is selected according to the criteria stated in table 4.1. Small firms have less than 20 employees, medium-sized firms have between 20 and 99, and large firms have at least 100. "Employees" are in thousands, "Sales" and "Assets" are in billions of NOK as of 2005, and "Firms" is the actual count.

Table 6.1.2. Aggregate activity levels by employment-based firm size groups: All firms by industry sector

	Industry sector	Firms				Employees				Assets				Sales			
		All	Small	Medium	Large	All	Small	Medium	Large	All	Small	Medium	Large	All	Small	Medium	Large
0	Missing	922	88%	10%	2%	15	18%	25%	57%	18	43%	28%	29%	13	21%	39%	40%
1	Agriculture	1,671	93%	6%	1%	16	42%	20%	37%	46	49%	18%	32%	29	41%	21%	38%
2	Manufacturing	6,822	85%	12%	3%	264	11%	12%	77%	648	8%	5%	87%	605	7%	8%	85%
3	Energy	337	63%	25%	12%	50	2%	7%	91%	808	11%	8%	81%	681	14%	2%	83%
4	Construction	8,740	92%	7%	0%	98	42%	23%	35%	65	40%	21%	39%	128	37%	23%	40%
5	Service	37,874	94%	5%	1%	437	28%	18%	54%	741	43%	14%	44%	551	30%	18%	52%
7	Trade	17,970	94%	5%	1%	159	49%	19%	32%	198	40%	20%	39%	418	41%	20%	38%
8	Transport	3,746	90%	7%	2%	117	13%	9%	78%	193	18%	8%	73%	136	25%	14%	61%
9	Multisector	4,487	92%	7%	1%	47	38%	26%	36%	54	50%	13%	38%	63	36%	22%	41%

This table presents aggregate activity levels across industry sectors for firms in three size groups (small, medium, and large) according to their number of employees. The sample, which is based on the population of all Norwegian firms with limited liability in 2005, is selected according to the criteria stated in table 4.1. Small firms have less than 20 employees, medium-sized firms have between 20 and 99, and large firms have at least 100. "Employees" are in thousands, "Sales" and "Assets" are in billions of NOK as of 2005, and "Firms" is the actual count. The industry sectors are defined in Appendix 4.A2.

Figure 6.1.1. The histogram of firm size
yr=2005

N		74323.0
Mean		4.016
Std Deviation		5.746
Skewness		2.752
Kurtosis		8.334
N Missing		0.000
Median		1.800
Mode		0.200

min	0.001
p0_01	0.001
p0_25	0.011
p0_5	0.022
p1	0.044
p2	0.081
p5	0.165
p10	0.285
p25	0.684
p50	1.798
p75	5.107
p90	15.648
p95	35.886
p98	108.092
p99	248.761
p99_5	611.411
p99_75	1378.667
p99_99	28239.000
max	284828.000

n	82569.000
mean	33.550
std	1436.506
skewness	149.840
kurtosis	26041.620
nmiss	0.000
median	1.798
mode	0.194

Lognormal Curve	
A-D (A-Square)	966.556
Pr > A-Square	.005
C-von M (W-Square)	144.742
Pr > W-Square	.005
Kolmogorov (D)	0.072
Pr > D	.010

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This figure shows the histogram of firm size as measured by sales. The sample, which is based on the population of all Norwegian firms with limited liability in 2005, is selected according to the criteria in table 4.1. The histogram is produced from a truncated distribution at 5% and 95%. The right inset presents moments of the complete (nontruncated) distribution, the left shows moments of the truncated distribution, whereas the middle inset shows percentiles of the cumulative density function of the complete distribution. The lower right inset performs tests for log-normality of the nontruncated distribution, using the Anderson-Darling (A-D), Cramér-von Mises (C-vonM), and Kolmogorov-Smirnov test, respectively. The null hypothesis is that the distribution is log-normal. We report goodness-of-fit statistics and p-values.

Table 6.2.1. Investment in depreciable assets by industry sector

Industry sector	Percentile	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	Mean
Missing	P50	0.01	0.03	0.03	0.05	0.06	0.02	0.04	0.01	0.00	0.00	0.00	0.02
	P75	0.47	0.54	0.34	0.58	0.41	0.36	0.36	0.25	0.09	0.12	0.27	0.34
Agriculture	P50	0.29	0.22	0.25	0.31	0.32	0.06	0.05	0.05	0.03	0.03	0.05	0.15
	P75	0.88	0.87	0.94	1.25	2.63	0.37	0.33	0.32	0.24	0.25	0.34	0.76
Manufacturing	P50	0.11	0.12	0.11	0.13	0.09	0.07	0.06	0.04	0.03	0.05	0.05	0.08
	P75	0.50	0.53	0.50	0.55	0.40	0.35	0.34	0.28	0.24	0.31	0.34	0.40
Energy	P50	0.08	0.09	0.07	0.08	0.09	0.06	0.06	0.06	0.07	0.08	0.08	0.08
	P75	0.20	0.28	0.23	0.54	0.38	0.21	0.22	0.20	0.20	0.22	0.25	0.27
Construction	P50	0.15	0.13	0.17	0.15	0.11	0.12	0.09	0.07	0.05	0.06	0.08	0.11
	P75	0.81	0.71	0.76	0.73	0.60	0.58	0.53	0.46	0.43	0.48	0.55	0.60
Service	P50	0.02	0.02	0.03	0.04	0.02	0.01	0.01	0.01	0.00	0.01	0.01	0.02
	P75	0.40	0.41	0.45	0.54	0.40	0.34	0.31	0.25	0.22	0.28	0.30	0.35
Trade	P50	0.03	0.02	0.03	0.04	0.04	0.02	0.02	0.01	0.01	0.01	0.00	0.02
	P75	0.54	0.48	0.51	0.54	0.46	0.40	0.35	0.31	0.31	0.32	0.32	0.41
Transport	P50	0.22	0.19	0.18	0.18	0.15	0.07	0.06	0.04	0.03	0.04	0.05	0.11
	P75	0.89	0.78	0.77	0.73	0.69	0.45	0.42	0.37	0.37	0.44	0.44	0.58
Multisector	P50	0.11	0.08	0.09	0.10	0.10	0.09	0.07	0.05	0.04	0.05	0.06	0.08
	P75	0.62	0.59	0.67	0.54	0.54	0.48	0.41	0.36	0.35	0.39	0.47	0.49

This table shows the median (P50) and the 75th (P75) percentile for the ratio of investment to depreciable assets for the sample of all limited liability firms in Norway as defined in table 4.1. The industry sectors are specified in Appendix 4.A2.

Table 6.3.1. Determinants of leverage

Determinant	(1)	(2)	(3)	(4)
		Model		
Intercept	7.597 ***	8.374 ***	8.867 ***	1.119 ***
Nonlisted	0.196 ***	0.224 ***		0.105 ***
Listed	-0.196 ***	-0.224 ***		-0.105 ***
Size	-0.906 ***	-1.008 ***	-1.056 ***	-0.127 ***
$Size^2$	0.028 ***	0.031 ***	0.033 ***	0.012 ***
Age	0.221 ***	0.207 ***	0.225 ***	-0.063 ***
Age^2	-0.050 ***	-0.046 ***	-0.050 ***	0.001
Tangibility	0.161 ***	0.189 ***	0.188 ***	0.021 ***
Growth	0.008 ***	0.011 ***	0.008 ***	0.001
ROA	-0.731 ***	-0.825 ***	-0.688 ***	-0.396 ***
NDTS	0.002 **	0.004	0.000	0.001
NE	0.002	-0.001	0.006 *	0.001
Ind0	-0.048 ***	-0.080 ***	-0.078 ***	-0.002
Ind1	0.043 ***	0.083 ***	0.065 ***	0.005
Ind2	0.030 ***	0.024 ***	0.048 ***	-0.009 ***
Ind3	-0.230 ***	-0.220 ***	-0.308 ***	-0.173 ***
Ind4	0.054 ***	0.047 ***	0.064 ***	0.069 ***
Ind5	0.000	-0.012 *	-0.004	0.027 ***
Ind7	0.085 ***	0.088 ***	0.097 ***	0.046 ***
Ind8	0.039 ***	0.034 ***	0.053 ***	0.062 ***
Ind9	0.026 ***	0.034 ***	0.063 ***	-0.024 ***
Adj. R^2	0.250	0.260	0.261	0.142
n	763,186	73,593	64,494	41,768

The models in this table regress the ratio of debt to total assets on potential determinants. "Size" is the log of assets in million NOK, "Age" is the log of firm age, "Tangibility" is the ratio of tangible assets to total assets, "Growth" is the relative change in sales, "ROA" is return on assets, "NDTS" is non-debt tax shields, and "NE" is a dummy variable which is 1 if the firm has negative earnings and zero otherwise. "Indi"; i = 0, 1,.... , 9 is a dummy variable which equals 1 if the firm belongs to industry sector *i* as defined in Appendix 4.A2 and zero otherwise. The sum of the two listing status coefficients and the sum of the ten industry sector coefficients are both restricted to be zero. The "***", "**", and "*" indicate that the coefficient estimate is significantly different from zero at the 1%, 5%, and 10% level, respectively. Model (1) uses the sample of all firms pooled over the sample years 1994-2005, (2) uses all firms from 2005, (3) uses all nonlisted firms from 1997, and (4) pools large nonlisted firms (i.e., the top 5% by sales) and the 90% largest listed firms by sales over the years.

The firms in model (4) are ranked every year. Additional filters applied to all four samples are defined in table 4.1.

Table 6.6.1. Descriptive statistics for firms that pay dividends

Panel A. All

	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	Mean 1994-2004
DIVTE	0.51	0.52	0.51	0.51	0.80	0.85	0.70	0.92	1.00	1.00	1.01	0.75	0.76
	0.82	0.76	0.61	0.61	0.92	1.04	0.70	1.03	1.64	1.54	1.67	1.24	1.03
% payers	20%	34%	35%	38%	36%	36%	29%	35%	39%	39%	47%	7%	35%

Panel B. Nonlisted

	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	Mean 1994-2004
DIVTE	0.51	0.52	0.51	0.51	0.80	0.85	0.70	0.92	1.00	1.00	1.01	0.75	0.76
	0.82	0.76	0.61	0.61	0.92	1.04	0.70	1.03	1.64	1.54	1.67	1.24	1.03
% payers	20%	34%	35%	38%	36%	36%	29%	35%	39%	39%	47%	7%	35%

Panel C. Large nonlisted

	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	Mean 1994-2004
DIVTE	0.44	0.40	0.42	0.46	0.50	0.58	0.50	0.67	0.92	0.92	1.00	0.65	0.62
	1.36	0.67	0.41	0.76	0.56	0.76	0.48	0.79	1.86	1.19	-0.13	0.71	0.79
% payers	22%	45%	46%	49%	47%	48%	40%	48%	49%	51%	56%	24%	46%

Panel D. Listed

	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	Mean 1994-2004
DIVTE	0.28	0.34	0.30	0.32	0.35	0.34	0.53	0.44	0.44	0.45	0.52	0.54	0.39
	0.75	0.47	0.91	0.82	0.38	0.39	0.70	1.83	1.41	0.39	-3.08	0.65	0.45
% payers	14%	53%	45%	44%	41%	34%	29%	29%	32%	39%	45%	14%	37%

This table shows the percentage of firms paying dividends (% payers) and the fraction of earnings paid out as dividends by these payers (DIVTE) over the period 1994-2005. The payout ratio is reported as the median and the mean (underneath) across the sample firms, which are specified in table 4.1. Appendix 6.A1 defines the variables.

Table 6.6.2. Determinants of dividend policy

Determinant	Payout propensity		Payout ratio	
	All firms	Large firms	All firms	Large firms
Intercept	-2.808 ***	0.0996	2.116 ***	1.262 ***
Nonlisted			0.084 **	0.034
Listed	-1.381 ***	0.2302 ***	-0.084 **	-0.034
Size	0.272 ***	-0.1068 ***	-0.115 ***	-0.029 ***
Age	0.106 ***	0.3468 ***	0.260 ***	0.061 ***
Growth	-0.081 ***	-0.0774 ***	-0.029 ***	-0.012
ROA	2.138 ***	4.6408 ***	-3.691 ***	-2.169 ***
IndDm0	-0.065 *	0.6413 ***	0.558 ***	0.131 **
IndDm1	-0.385 ***	-0.1976 **	0.029	-0.133 **
IndDm2	0.119 ***	-0.1888 ***	-0.172 ***	-0.111 ***
IndDm3	-0.241 ***	0.8428 ***	-0.054	-0.013
IndDm4	0.523 ***	0.2406 ***	-0.195 ***	-0.084 **
IndDm5	0.170 ***	-0.0585 **	0.091 ***	0.086 ***
IndDm7	0.249 ***	-0.1044 ***	-0.152 ***	0.097 ***
IndDm8	-0.055 ***	-0.4024 ***	-0.091 ***	-0.033
IndDm9			-0.015	0.060
Adj. R^2			0.068	0.027
n	532,301	33,972	267,809	18,963

The two models in this table estimate the determinants of the propensity to pay dividends (payout propensity) and the fraction of earnings paid out by the payers (payout ratio), respectively. "Size" is the natural logarithm of assets, "Age" is the natural logarithm of the number of years since the firm was founded, "Growth" is the relative change in sales, and "ROA" is returns on assets. Dividends, sales, and assets are measured in thousands of NOK. The ROA and the payout ratio are winsorized at 1%. The sum of the two listing status coefficients and the sum of the ten industry sector coefficients are both restricted to be zero in OLS regressions. The "***", "**", and "*" indicates that the coefficient estimate is significantly different from zero at the 1%, 5%, and 10% level, respectively. The sample of all firms is defined in table 4.A, from which we exclude firms that do not report positive earnings. Large listed (nonlisted) firms are the 90% (5%) largest firms by sales among the listed (nonlisted) firms in a given year.

Table 7.S1. Corporate governance: Descriptive statistics for 2005

Panel A. All firms

	n	mean	std	skewness	kurtosis	p0	p0_25	p1	p5	p10	p25	p50	p75	p90	p95	p99	p99_75	p99_99	p100
Ownership: Direct (D)																			
HOLDLARGE1_D	77864	70.14	27.89	-0.20	-1.41	0.01	8.33	14.90	25.00	33.33	50.00	66.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00
HOLDLARGE2_D	77864	19.36	19.08	0.35	-1.40	0.00	0.00	0.00	0.00	0.00	0.00	17.33	34.00	50.00	50.00	50.00	50.00	50.00	50.00
HOLDLARGE3_D	77864	5.59	9.79	1.57	1.16	0.00	0.00	0.00	0.00	0.00	0.00	0.00	10.00	22.22	30.00	33.33	33.33	33.33	33.33
HOLDLARGE4_D	77864	2.02	5.30	2.76	6.89	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	10.00	15.79	25.00	25.00	25.00	25.00
HOLDLARGE5_D	77864	0.74	2.87	4.32	19.45	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	7.12	15.97	20.00	20.00	20.00
HOLDLARGESUM2_D	77864	89.50	18.41	-1.77	2.43	0.01	14.60	27.90	50.00	61.00	82.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.50
HOLDLARGESUM3_D	77864	95.09	12.89	-3.28	11.83	0.01	18.93	37.50	66.00	80.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.01	100.50
HOLDLARGESUM4_D	77864	97.11	10.26	-4.71	25.29	0.01	22.20	44.52	80.00	93.75	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.01	100.50
HOLDLARGESUM5_D	77864	97.85	9.02	-5.71	37.25	0.01	25.00	50.00	86.27	98.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.01	100.50
HOLDLARGEOUTS_D	32181	49.21	32.57	0.55	-1.14	0.01	2.50	5.00	9.80	12.00	22.68	39.04	84.00	100.00	100.00	100.00	100.00	100.00	100.00
HOLDSMALLOUTS_D	32181	42.55	35.34	0.72	-1.03	0.01	1.00	4.00	5.20	6.52	12.00	33.20	70.00	100.00	100.00	100.00	100.00	100.00	100.00
HERFINDAHL_D	77764	0.66	0.30	-0.07	-1.49	0.00	0.03	0.09	0.21	0.27	0.42	0.55	1.00	1.00	1.00	1.00	1.00	1.00	1.00
NROWNERS_D	77864	9.79	381.96	109.67	14675.40	1.00	1.00	1.00	1.00	1.00	1.00	2.00	3.00	4.00	5.00	9.00	201.00	14987.00	63986.00
NROWNERSINS	64369	1.71	0.90	1.60	4.07	1.00	1.00	1.00	1.00	1.00	1.00	1.00	2.00	3.00	3.00	5.00	6.00	8.00	13.00
HOLDMEAN_D	78434	62.72	32.16	0.08	-1.58	0.00	0.50	8.33	17.39	25.00	33.33	50.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00
HOLDMEDIAN_D	78434	61.85	33.36	0.00	-1.52	0.00	0.03	5.02	11.71	18.00	33.33	50.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00
HOLDUNSP_D	77863	12.57	28.87	2.29	3.80	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	57.00	100.00	100.00	100.00	100.00	100.00
HOLDINST_D	77864	0.48	5.08	14.26	235.64	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	15.00	50.00	100.00	100.00
HOLDPERS_D	77791	76.46	38.31	-1.27	-0.15	0.00	0.00	0.00	0.00	0.00	64.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00
HOLDSTAT_D	77863	1.01	9.16	9.82	98.02	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	48.55	100.00	100.00	100.00
HOLDINTL_D	77863	3.32	17.26	5.23	25.85	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	100.00	100.00	100.00	100.00
HOLDINDU_D	77854	4.84	17.45	4.14	17.33	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1.00	40.00	100.00	100.00	100.00	100.00
SUMHOLD_D	77764	98.73	6.98	-8.18	78.11	0.01	29.09	62.00	95.20	99.99	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.50
BLOCK5NR_D	77864	2.14	1.44	2.22	9.35	0.00	1.00	1.00	1.00	1.00	1.00	2.00	3.00	4.00	5.00	7.00	10.00	18.00	19.00
BLOCK10NR_D	77864	1.90	1.08	1.38	2.42	0.00	0.00	1.00	1.00	1.00	1.00	2.00	2.00	3.00	4.00	5.00	6.00	9.00	9.00
BLOCK5SH_D	77864	98.15	8.83	-7.20	60.11	0.00	9.00	50.00	90.90	98.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.50
BLOCK10SH_D	77864	96.20	12.62	-4.92	27.83	0.00	0.00	28.00	76.00	90.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.50
TYPELARGE1_D	78434	1.98	1.06	0.64	2.47	0.00	0.00	0.00	0.00	0.00	2.00	2.00	2.00	2.00	5.00	5.00	5.00	5.00	5.00
Ownership: Ultimate (U)																			
HOLDLARGE1_U	77674	70.65	27.70	-0.22	-1.40	0.01	9.47	16.34	25.00	33.33	50.00	66.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00
HOLDLARGE2_U	81908	17.93	18.92	0.47	-1.30	0.00	0.00	0.00	0.00	0.00	0.00	13.33	34.00	50.00	50.00	50.00	50.00	50.00	50.00
HOLDLARGE3_U	81908	5.09	9.34	1.72	1.71	0.00	0.00	0.00	0.00	0.00	0.00	0.00	7.71	20.00	26.40	33.33	33.33	33.33	33.33
HOLDLARGE4_U	81908	1.85	4.99	2.92	8.04	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	9.00	14.51	25.00	25.00	25.00	25.00
HOLDLARGE5_U	81908	0.69	2.66	4.48	21.49	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	6.25	14.28	20.00	20.00	20.00
HOLDLARGESUM2_U	77674	89.56	18.30	-1.77	2.40	0.01	15.37	28.60	50.00	61.43	82.50	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.50
HOLDLARGESUM3_U	77674	94.92	13.04	-3.20	11.21	0.01	18.74	37.50	65.10	78.80	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.50
HOLDLARGESUM4_U	77674	96.87	10.57	-4.51	23.28	0.01	19.67	43.73	76.92	91.30	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.50
HOLDLARGESUM5_U	77674	97.60	9.44	-5.40	33.75	0.01	20.00	48.00	83.34	96.14	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.50
HOLDLARGEOUTS_U	31817	50.11	33.67	0.45	-1.30	0.10	1.80	4.39	8.50	11.36	20.15	40.00	96.27	100.00	100.00	100.00	100.00	100.00	100.00
HERFINDAHL_U	77674	0.66	0.31	-0.09	-1.48	0.00	0.02	0.08	0.20	0.27	0.42	0.55	1.00	1.00	1.00	1.00	1.00	1.00	1.00
NROWNERS_U	81908	2.31	2.32	6.73	106.17	1.00	1.00	1.00	1.00	1.00	1.00	2.00	3.00	4.00	6.00	11.00	19.00	50.00	100.00
HOLDMEAN_U	78250	62.68	32.62	0.04	-1.57	0.01	3.39	6.48	15.83	22.49	33.33	50.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00
HOLDMEDIAN_U	78250	61.67	34.01	-0.04	-1.50	0.00	0.49	2.30	10.00	16.64	33.33	50.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00

Table 7.S1. Corporate governance: Descriptive statistics for 2005

Panel A. All firms

	n	mean	std	skewness	kurtosis	p0	p0_25	p1	p5	p10	p25	p50	p75	p90	p95	p99	p99_75	p99_99	p100
HOLDUNSP_U	77674	12.69	28.56	2.28	3.82	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	53.55	100.00	100.00	100.00	100.00	100.00
HOLDINST_U	81908	0.22	3.93	21.95	516.07	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	29.00	100.00	100.00
HOLDPERS_U	81908	75.25	39.30	-1.19	-0.36	0.00	0.00	0.00	0.00	0.00	59.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.50
HOLDSTAT_U	81908	1.05	9.18	9.68	95.79	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	48.43	100.00	100.00	100.00
HOLDINTL_U	81908	3.15	16.80	5.39	27.62	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	100.00	100.00	100.00	100.00
HOLDINDU_U	81908	1.53	10.97	8.02	65.46	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	85.00	100.00	100.00	100.00
SUMHOLD_U	77674	98.32	8.12	-6.89	54.82	0.01	21.00	52.50	91.93	99.02	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.50
BLOCK5NR_U	81908	2.01	1.42	1.63	4.50	0.00	0.00	0.00	0.00	1.00	1.00	2.00	3.00	4.00	5.00	7.00	9.00	13.00	19.00
BLOCK10NR_U	81908	1.78	1.11	1.10	1.74	0.00	0.00	0.00	0.00	1.00	1.00	2.00	2.00	3.00	4.00	5.00	6.00	8.00	9.00
BLOCK5SH_U	81908	92.72	23.42	-3.45	10.45	0.00	0.00	0.00	0.00	87.50	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.50
BLOCK10SH_U	81908	90.92	24.54	-3.04	8.04	0.00	0.00	0.00	0.00	73.06	99.99	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.50
INSHOLD_CEO	64369	53.52	37.78	-0.08	-1.39	0.00	0.00	0.00	0.00	0.00	20.00	50.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00
INSHOLD_BDEXCEO	64369	33.98	34.69	0.60	-0.89	0.00	0.00	0.00	0.00	0.00	0.00	31.00	50.40	100.00	100.00	100.00	100.00	100.00	100.00
INSHOLD_BD	64369	86.53	24.44	-1.83	2.44	0.00	0.00	4.00	28.60	50.00	80.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00
INSHOLD_ALL	64369	87.50	22.93	-1.83	2.43	0.01	5.10	10.00	33.33	50.00	81.65	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00
INSHOLD_LARGE1	64369	67.45	29.06	-0.18	-1.30	0.01	5.00	8.17	20.00	30.00	50.00	65.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00
INSHOLD_LARGE2	64369	16.10	19.18	0.68	-1.13	0.00	0.00	0.00	0.00	0.00	0.00	0.00	33.33	50.00	50.00	50.00	50.00	50.00	50.00
INSHOLD_LARGE3	64369	3.06	7.97	2.62	5.75	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	15.38	25.00	33.33	33.33	33.33	33.33
INSHOLD_LARGE4	64369	0.70	3.51	5.43	29.78	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	22.22	25.00	25.00	25.00
INSHOLD_LARGE5	64369	0.14	1.41	11.27	134.12	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	5.56	16.66	20.00	20.00
INSHOLD_TYPE1	64369	11.36	23.08	2.12	3.96	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	50.00	54.00	100.00	100.00	100.00	100.00
INSHOLD_TYPE2	64369	17.33	24.26	1.26	0.79	0.00	0.00	0.00	0.00	0.00	0.00	0.00	34.00	50.00	66.00	100.00	100.00	100.00	100.00
INSHOLD_TYPE3	64369	16.65	29.13	1.70	1.82	0.00	0.00	0.00	0.00	0.00	0.00	0.00	30.00	52.00	100.00	100.00	100.00	100.00	100.00
INSHOLD_TYPE4	64369	41.19	43.31	0.32	-1.64	0.00	0.00	0.00	0.00	0.00	0.00	32.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00
INSRANK_TYPE1	64369	0.37	0.73	1.91	2.68	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	2.00	2.00	3.00	3.00	3.00	3.00
INSRANK_TYPE2	64369	0.68	0.87	0.88	-0.57	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1.00	2.00	2.00	3.00	3.00	3.00	3.00
INSRANK_TYPE3	64369	0.48	0.79	1.52	1.32	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1.00	2.00	2.00	3.00	3.00	3.00	3.00
INSRANK_TYPE4	64369	0.59	0.61	0.51	-0.64	0.00	0.00	0.00	0.00	0.00	0.00	1.00	1.00	1.00	2.00	2.00	2.00	2.00	2.00
Board (BD)																			
BD_TURN	72595	0.02	0.09	5.07	27.62	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.17	0.50	0.67	0.83	0.88
DISCHSAME	74075	0.95	0.22	-4.10	14.84	0.00	0.00	0.00	0.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
DISCEOSAME	66150	0.96	0.19	-4.79	20.95	0.00	0.00	0.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
DISCEOSAME	64072	0.95	0.22	-4.02	14.19	0.00	0.00	0.00	0.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
BD_SIZE	82248	2.26	1.42	1.35	2.65	1.00	1.00	1.00	1.00	1.00	1.00	2.00	3.00	4.00	5.00	7.00	8.00	12.00	16.00
BD_AVG_AGE	81284	49.85	9.34	0.13	-0.02	20.00	26.00	29.50	35.00	38.00	43.25	50.00	56.00	62.00	65.00	72.00	79.00	88.00	93.00
BD_AVG_AGE_M	75341	50.38	9.56	0.12	-0.02	19.00	26.00	29.50	35.00	38.00	44.00	50.29	57.00	62.50	66.00	73.50	80.00	92.00	94.00
BD_AVG_AGE_F	25973	48.25	10.88	0.34	0.03	19.00	24.00	26.00	32.00	35.00	40.00	48.00	56.00	62.00	66.00	77.00	83.00	93.00	95.00
BD_SD_AGE	46715	8.23	5.97	0.64	-0.37	0.00	0.00	0.00	0.71	1.41	3.06	7.05	12.73	16.86	19.08	23.34	26.87	33.23	36.77
DBD_NR_FEM_EMPL	82569	0.00	0.00	.	.	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
DCEOCHBD	72134	0.54	0.50	-0.17	-1.97	0.00	0.00	0.00	0.00	0.00	0.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
DCEODIRECTOR	72141	0.27	0.44	1.06	-0.88	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
BD_NR_EMPL_PERC	82569	0.00	0.00	.	.	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
BD_NR_FEM_EMPL_PERC	82569	0.00	0.00	.	.	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
BD_NR_FEM_STOCKH_PERC	82569	0.17	0.30	1.68	1.75	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.33	0.60	1.00	1.00	1.00	1.00	1.00
BD_NR_FEM_PERC	82569	0.17	0.30	1.68	1.74	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.33	0.60	1.00	1.00	1.00	1.00	1.00

This table presents univariate descriptive statistics of corporate governance characteristics for the sample of all Norwegian firms with limited liability as defined in table 4.1 The sample includes non-financial firms that pass basic accounting consistency tests, activity level tests, and that are not subsidiaries. The variables are defined in appendix 7.A1. The subscript "D" denotes direct (first level) ownership, while the subscript "U" denotes ultimate (all levels) ownership, i.e. the direct ownership plus the indirect ownership through pyramids.

Table 7.S1. Corporate governance: Descriptive statistics for 2005

Panel B. Nonlisted firms

	n	mean	std	skewness	kurtosis	p0	p0_01	p1	p5	p10	p25	p50	p75	p90	p95	p99	p99_99	p100
Ownership: Direct (D)																		
HOLDLARGE1_D	77730	70.21	27.84	-0.20	-1.41	0.01	2.30	15.32	25.00	33.33	50.00	66.00	100.00	100.00	100.00	100.00	100.00	100.00
HOLDLARGE2_D	77730	19.38	19.10	0.35	-1.40	0.00	0.00	0.00	0.00	0.00	0.00	17.50	34.00	50.00	50.00	50.00	50.00	50.00
HOLDLARGE3_D	77730	5.59	9.80	1.57	1.16	0.00	0.00	0.00	0.00	0.00	0.00	0.00	10.00	22.24	30.00	33.33	33.33	33.33
HOLDLARGE4_D	77730	2.02	5.31	2.76	6.90	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	10.00	15.81	25.00	25.00	25.00
HOLDLARGE5_D	77730	0.74	2.87	4.33	19.54	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	7.14	15.97	20.00	20.00
HOLDLARGESUM2_D	77730	89.59	18.27	-1.77	2.43	0.01	2.78	28.57	50.00	61.84	82.30	100.00	100.00	100.00	100.00	100.00	100.00	100.50
HOLDLARGESUM3_D	77730	95.18	12.70	-3.30	12.05	0.01	3.84	38.37	66.66	80.00	100.00	100.00	100.00	100.00	100.00	100.00	100.01	100.50
HOLDLARGESUM4_D	77730	97.20	10.03	-4.79	26.31	0.01	4.00	46.33	80.00	94.00	100.00	100.00	100.00	100.00	100.00	100.00	100.01	100.50
HOLDLARGESUM5_D	77730	97.93	8.79	-5.84	39.37	0.01	4.00	50.00	87.19	98.00	100.00	100.00	100.00	100.00	100.00	100.00	100.01	100.50
HOLDLARGEOUTS_D	32054	49.31	32.59	0.55	-1.15	0.01	0.01	5.00	9.90	12.00	22.90	39.52	85.00	100.00	100.00	100.00	100.00	100.00
HOLDSMALLOUTS_D	32054	42.68	35.34	0.72	-1.04	0.01	0.01	4.00	5.20	6.60	12.00	33.30	70.88	100.00	100.00	100.00	100.00	100.00
HERFINDAHL_D	77630	0.66	0.30	-0.06	-1.50	0.00	0.00	0.09	0.21	0.27	0.42	0.55	1.00	1.00	1.00	1.00	1.00	1.00
NROWNERS_D	77730	3.15	46.11	120.97	19366.97	1.00	1.00	1.00	1.00	1.00	1.00	2.00	3.00	4.00	5.00	9.00	2290.00	8803.00
NROWNERSINS	64364	1.71	0.90	1.60	4.07	1.00	1.00	1.00	1.00	1.00	1.00	1.00	2.00	3.00	3.00	5.00	8.00	13.00
HOLDMEAN_D	78300	62.83	32.08	0.08	-1.59	0.01	0.04	9.09	18.08	25.00	33.33	50.00	100.00	100.00	100.00	100.00	100.00	100.00
HOLDMEDIAN_D	78300	61.96	33.29	0.01	-1.52	0.00	0.00	5.84	12.00	18.00	33.33	50.00	100.00	100.00	100.00	100.00	100.00	100.00
HOLDUNSP_D	77729	12.59	28.89	2.28	3.79	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	57.50	100.00	100.00	100.00	100.00
HOLDINST_D	77730	0.45	5.03	14.59	244.62	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	12.50	100.00	100.00
HOLDPERS_D	77657	76.57	38.26	-1.28	-0.13	0.00	0.00	0.00	0.00	0.00	64.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00
HOLDSTAT_D	77729	1.00	9.16	9.84	98.42	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	48.30	100.00	100.00
HOLDINTL_D	77729	3.29	17.22	5.26	26.11	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	100.00	100.00	100.00
HOLDINDU_D	77720	4.78	17.38	4.18	17.62	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	40.00	100.00	100.00	100.00
SUMHOLD_D	77630	98.73	6.99	-8.17	77.97	0.01	5.00	62.00	95.20	99.99	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.50
BLOCK5NR_D	77730	2.14	1.44	2.23	9.40	0.00	0.00	1.00	1.00	1.00	1.00	2.00	3.00	4.00	5.00	7.00	18.00	19.00
BLOCK10NR_D	77730	1.90	1.08	1.38	2.42	0.00	0.00	1.00	1.00	1.00	1.00	2.00	2.00	3.00	4.00	5.00	9.00	9.00
BLOCK5SH_D	77730	98.24	8.52	-7.46	65.17	0.00	0.00	52.79	91.30	98.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.50
BLOCK10SH_D	77730	96.31	12.32	-5.00	29.09	0.00	0.00	31.11	77.20	90.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.50
TYPELARGE1_D	78300	1.98	1.05	0.63	2.51	0.00	0.00	0.00	0.00	0.00	2.00	2.00	2.00	2.00	5.00	5.00	5.00	5.00
Ownership: Ultimate (U)																		
HOLDLARGE1_U	77548	70.72	27.65	-0.22	-1.41	0.01	2.08	16.66	25.10	33.33	50.00	66.00	100.00	100.00	100.00	100.00	100.00	100.00
HOLDLARGE2_U	81776	17.95	18.93	0.47	-1.31	0.00	0.00	0.00	0.00	0.00	0.00	13.46	34.00	50.00	50.00	50.00	50.00	50.00
HOLDLARGE3_U	81776	5.09	9.34	1.71	1.70	0.00	0.00	0.00	0.00	0.00	0.00	0.00	7.76	20.00	26.47	33.33	33.33	33.33
HOLDLARGE4_U	81776	1.85	4.99	2.92	8.04	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	9.00	14.55	25.00	25.00	25.00
HOLDLARGE5_U	81776	0.69	2.67	4.48	21.50	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	6.25	14.29	20.00	20.00
HOLDLARGESUM2_U	77548	89.65	18.16	-1.76	2.37	0.01	2.78	29.41	50.00	62.00	82.80	100.00	100.00	100.00	100.00	100.00	100.00	100.50
HOLDLARGESUM3_U	77548	95.02	12.81	-3.20	11.23	0.01	3.20	39.00	66.00	79.34	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.50
HOLDLARGESUM4_U	77548	96.97	10.29	-4.54	23.75	0.01	3.62	45.59	77.76	91.70	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.50
HOLDLARGESUM5_U	77548	97.69	9.12	-5.47	34.95	0.01	4.38	50.00	84.00	96.50	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.50
HOLDLARGEOUTS_U	31692	50.21	33.69	0.45	-1.30	0.10	0.20	4.42	8.50	11.42	20.34	40.00	97.32	100.00	100.00	100.00	100.00	100.00
HERFINDAHL_U	77548	0.66	0.30	-0.09	-1.48	0.00	0.00	0.09	0.20	0.27	0.43	0.55	1.00	1.00	1.00	1.00	1.00	1.00
NROWNERS_U	81776	2.30	2.30	6.77	107.84	1.00	1.00	1.00	1.00	1.00	1.00	2.00	3.00	4.00	6.00	11.00	50.00	100.00
HOLDMEAN_U	78122	62.76	32.58	0.04	-1.57	0.01	1.12	6.63	16.10	23.00	33.33	50.00	100.00	100.00	100.00	100.00	100.00	100.00
HOLDMEDIAN_U	78122	61.75	33.97	-0.04	-1.50	0.00	0.02	2.42	10.00	16.67	33.33	50.00	100.00	100.00	100.00	100.00	100.00	100.00

Table 7.S1. Corporate governance: Descriptive statistics for 2005

Panel B. Nonlisted firms

	n	mean	std	skewness	kurtosis	p0	p0_01	p1	p5	p10	p25	p50	p75	p90	p95	p99	p99_99	p100
HOLDUNSP_U	77548	12.69	28.57	2.28	3.82	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	53.75	100.00	100.00	100.00	100.00
HOLDINST_U	81776	0.22	3.93	22.01	517.75	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	100.00	100.00
HOLDPERS_U	81776	75.35	39.25	-1.20	-0.35	0.00	0.00	0.00	0.00	0.00	60.00	100.00	100.00	100.00	100.00	100.00	100.00	100.50
HOLDSTAT_U	81776	1.05	9.18	9.68	95.91	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	48.55	100.00	100.00
HOLDINTL_U	81776	3.15	16.81	5.40	27.64	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	100.00	100.00	100.00
HOLDINDU_U	81776	1.53	10.97	8.01	65.41	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	85.00	100.00	100.00
SUMHOLD_U	77548	98.41	7.75	-7.08	58.45	0.01	5.00	55.50	92.15	99.20	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.50
BLOCK5NR_U	81776	2.01	1.42	1.63	4.51	0.00	0.00	0.00	0.00	1.00	1.00	2.00	3.00	4.00	5.00	7.00	13.00	19.00
BLOCK10NR_U	81776	1.78	1.11	1.10	1.74	0.00	0.00	0.00	0.00	1.00	1.00	2.00	2.00	3.00	4.00	5.00	8.00	9.00
BLOCK5SH_U	81776	92.81	23.31	-3.48	10.67	0.00	0.00	0.00	0.00	88.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.50
BLOCK10SH_U	81776	91.02	24.41	-3.07	8.22	0.00	0.00	0.00	0.00	74.01	99.99	100.00	100.00	100.00	100.00	100.00	100.00	100.50
INSHOLD_CEO	64364	53.52	37.78	-0.08	-1.39	0.00	0.00	0.00	0.00	0.00	20.00	50.00	100.00	100.00	100.00	100.00	100.00	100.00
INSHOLD_BDEXCEO	64364	33.98	34.69	0.60	-0.89	0.00	0.00	0.00	0.00	0.00	0.00	31.00	50.42	100.00	100.00	100.00	100.00	100.00
INSHOLD_BD	64364	86.54	24.43	-1.83	2.45	0.00	0.00	4.00	28.60	50.00	80.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00
INSHOLD_ALL	64364	87.51	22.92	-1.83	2.43	0.01	0.70	10.00	33.33	50.00	81.70	100.00	100.00	100.00	100.00	100.00	100.00	100.00
INSHOLD_LARGE1	64364	67.46	29.05	-0.18	-1.30	0.01	0.70	8.20	20.00	30.00	50.00	65.00	100.00	100.00	100.00	100.00	100.00	100.00
INSHOLD_LARGE2	64364	16.10	19.18	0.68	-1.13	0.00	0.00	0.00	0.00	0.00	0.00	0.00	33.33	50.00	50.00	50.00	50.00	50.00
INSHOLD_LARGE3	64364	3.06	7.98	2.62	5.75	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	15.38	25.00	33.33	33.33	33.33
INSHOLD_LARGE4	64364	0.70	3.51	5.43	29.77	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	22.22	25.00	25.00
INSHOLD_LARGE5	64364	0.14	1.41	11.27	134.11	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	5.56	20.00	20.00
INSHOLD_TYPE1	64364	11.36	23.08	2.12	3.96	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	50.00	54.00	100.00	100.00	100.00
INSHOLD_TYPE2	64364	17.33	24.26	1.26	0.79	0.00	0.00	0.00	0.00	0.00	0.00	0.00	34.00	50.00	66.00	100.00	100.00	100.00
INSHOLD_TYPE3	64364	16.65	29.13	1.70	1.82	0.00	0.00	0.00	0.00	0.00	0.00	0.00	30.00	52.00	100.00	100.00	100.00	100.00
INSHOLD_TYPE4	64364	41.20	43.31	0.32	-1.64	0.00	0.00	0.00	0.00	0.00	0.00	32.00	100.00	100.00	100.00	100.00	100.00	100.00
INSRANK_TYPE1	64364	0.37	0.73	1.91	2.68	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	2.00	2.00	3.00	3.00	3.00
INSRANK_TYPE2	64364	0.68	0.87	0.88	-0.57	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1.00	2.00	2.00	3.00	3.00	3.00
INSRANK_TYPE3	64364	0.48	0.79	1.52	1.32	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1.00	2.00	2.00	3.00	3.00	3.00
INSRANK_TYPE4	64364	0.59	0.61	0.51	-0.64	0.00	0.00	0.00	0.00	0.00	0.00	1.00	1.00	1.00	2.00	2.00	2.00	2.00
Board (BD)																		
BD_TURN	72475	0.02	0.09	5.10	27.97	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.14	0.50	0.83	0.88
DISCHSAME	73953	0.95	0.22	-4.11	14.91	0.00	0.00	0.00	0.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
DISCEOSAME	63957	0.95	0.22	-4.04	14.30	0.00	0.00	0.00	0.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
BD_SIZE	82114	2.25	1.41	1.34	2.57	1.00	1.00	1.00	1.00	1.00	1.00	2.00	3.00	4.00	5.00	7.00	12.00	16.00
BD_AVG_AGE	81150	49.85	9.35	0.13	-0.02	20.00	22.00	29.50	35.00	38.00	43.25	50.00	56.00	62.00	65.00	72.00	88.00	93.00
BD_AVG_AGE_M	75207	50.38	9.57	0.12	-0.02	19.00	21.00	29.50	35.00	38.00	43.80	50.25	57.00	62.50	66.00	74.00	92.00	94.00
BD_AVG_AGE_F	25872	48.26	10.89	0.33	0.03	19.00	19.00	26.00	32.00	35.00	40.00	48.00	56.00	62.00	66.00	77.00	93.00	95.00
BD_SD_AGE	46582	8.23	5.98	0.64	-0.37	0.00	0.00	0.00	0.71	1.41	3.06	7.03	12.73	16.86	19.09	23.34	33.23	36.77
DBD_NR_FEM_EMPL	82435	0.00	0.00	.	.	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
DCEOCHBD	72000	0.54	0.50	-0.17	-1.97	0.00	0.00	0.00	0.00	0.00	0.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
DCEODIRECTOR	72007	0.27	0.44	1.06	-0.88	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1.00	1.00	1.00	1.00	1.00	1.00
BD_NR_EMPL_PERC	82435	0.00	0.00	.	.	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
BD_NR_FEM_EMPL_PERC	82435	0.00	0.00	.	.	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
BD_NR_FEM_STOCKH_PERC	82435	0.17	0.30	1.68	1.74	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.33	0.60	1.00	1.00	1.00	1.00
BD_NR_FEM_PERC	82435	0.17	0.30	1.68	1.74	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.33	0.60	1.00	1.00	1.00	1.00

This table presents univariate descriptive statistics of corporate governance characteristics for the sample of nonlisted Norwegian firms with limited liability as defined in table 4.1 The sample includes non-financial firms that pass basic accounting consistency tests, activity level tests, and that are not subsidiaries. The variables are defined in appendix 7.A1. The subscript "D" denotes direct (first level) ownership, while the subscript "U" denotes ultimate (all levels) ownership, i.e. the direct ownership plus the indirect ownership through pyramids.

Table 7.S1. Corporate governance: Descriptive statistics for 2005

Panel C. Large nonlisted firms

	n	mean	std	skewness	kurtosis	p0	p0_25	p0_5	p5	p10	p25	p50	p75	p90	p95	p99	p99_99	p100
Ownership: Direct (D)																		
HOLDLARGE1_D	3873	71.39	30.36	-0.41	-1.39	0.01	5.88	7.80	20.70	28.50	45.00	80.00	100.00	100.00	100.00	100.00	100.00	100.00
HOLDLARGE2_D	3873	14.56	16.92	0.76	-0.77	0.00	0.00	0.00	0.00	0.00	0.00	7.40	27.00	40.75	50.00	50.00	50.00	50.00
HOLDLARGE3_D	3873	5.73	9.12	1.43	0.92	0.00	0.00	0.00	0.00	0.00	0.00	0.00	10.12	20.00	25.00	33.33	33.33	33.33
HOLDLARGE4_D	3873	2.54	5.40	2.17	3.97	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	10.98	15.00	22.95	25.00	25.00
HOLDLARGE5_D	3873	1.17	3.32	3.10	9.64	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	5.78	10.00	15.78	20.00	20.00
HOLDLARGESUM2_D	3873	85.96	21.91	-1.47	1.17	0.01	7.70	12.02	39.37	50.10	73.20	100.00	100.00	100.00	100.00	100.00	100.00	100.00
HOLDLARGESUM3_D	3873	91.69	17.20	-2.41	5.69	0.01	7.70	16.56	52.00	65.62	93.03	100.00	100.00	100.00	100.00	100.00	100.00	100.00
HOLDLARGESUM4_D	3873	94.23	14.62	-3.22	11.28	0.01	7.70	16.56	61.00	77.50	99.90	100.00	100.00	100.00	100.00	100.00	100.00	100.00
HOLDLARGESUM5_D	3873	95.40	13.23	-3.83	16.43	0.01	7.70	16.56	66.94	84.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00
HOLDLARGEOUTS_D	3216	66.93	33.66	-0.31	-1.51	0.37	4.00	5.00	12.00	19.85	35.00	70.00	100.00	100.00	100.00	100.00	100.00	100.00
HOLDSMALLOUTS_D	3216	57.37	40.87	-0.05	-1.81	0.05	1.28	2.00	5.30	6.46	13.80	50.00	100.00	100.00	100.00	100.00	100.00	100.00
HERFINDAHL_D	3871	0.67	0.34	-0.29	-1.54	0.00	0.01	0.01	0.14	0.20	0.34	0.68	1.00	1.00	1.00	1.00	1.00	1.00
NROWNERS_D	3873	12.91	190.57	32.61	1303.45	1.00	1.00	1.00	1.00	1.00	1.00	2.00	3.00	5.00	7.00	110.00	8803.00	8803.00
NROWNERSINS	1428	1.79	1.06	1.70	3.64	1.00	1.00	1.00	1.00	1.00	1.00	1.00	2.00	3.00	4.00	5.00	8.00	8.00
HOLDMEAN_D	3915	63.22	35.86	-0.13	-1.68	0.01	0.10	0.27	11.68	16.67	31.82	50.00	100.00	100.00	100.00	100.00	100.00	100.00
HOLDMEDIAN_D	3915	62.36	37.04	-0.17	-1.64	0.00	0.00	0.01	8.00	12.07	25.00	50.00	100.00	100.00	100.00	100.00	100.00	100.00
HOLDUNSP_D	3873	25.63	39.09	1.11	-0.52	0.00	0.00	0.00	0.00	0.00	0.00	0.00	50.00	100.00	100.00	100.00	100.00	100.00
HOLDINST_D	3873	1.16	7.84	9.17	96.48	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	40.00	100.00	100.00
HOLDPERS_D	3872	29.18	41.80	0.91	-1.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	71.54	100.00	100.00	100.00	100.00	100.00
HOLDSTAT_D	3873	3.39	16.95	5.10	24.79	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	100.00	100.00	100.00
HOLDINTL_D	3873	24.94	42.38	1.16	-0.62	0.00	0.00	0.00	0.00	0.00	0.00	0.00	50.00	100.00	100.00	100.00	100.00	100.00
HOLDINDU_D	3873	12.73	28.14	2.21	3.59	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	54.99	100.00	100.00	100.00	100.00
SUMHOLD_D	3871	97.07	11.05	-5.37	32.70	0.01	7.90	16.56	80.90	95.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00
BLOCK5NR_D	3873	2.28	1.76	1.86	5.14	0.00	1.00	1.00	1.00	1.00	1.00	2.00	3.00	5.00	6.00	8.00	18.00	18.00
BLOCK10NR_D	3873	1.88	1.21	1.44	2.23	0.00	0.00	0.00	1.00	1.00	1.00	1.00	3.00	4.00	4.00	6.00	9.00	9.00
BLOCK5SH_D	3873	96.08	12.48	-4.55	23.52	0.00	5.65	11.80	73.40	89.50	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00
BLOCK10SH_D	3873	92.96	17.34	-3.33	11.91	0.00	0.00	0.00	54.80	75.10	96.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00
TYPELARGE1_D	3915	2.40	1.80	-0.06	-1.37	0.00	0.00	0.00	0.00	0.00	0.00	2.00	4.00	5.00	5.00	5.00	5.00	5.00
Ownership: Ultimate (U)																		
HOLDLARGE1_U	3859	72.11	30.52	-0.48	-1.33	0.01	5.17	7.61	20.43	26.91	45.89	89.30	100.00	100.00	100.00	100.00	100.00	100.00
HOLDLARGE2_U	4074	12.40	15.84	0.99	-0.26	0.00	0.00	0.00	0.00	0.00	0.00	0.00	23.50	37.50	49.00	50.00	50.00	50.00
HOLDLARGE3_U	4074	5.14	8.52	1.58	1.48	0.00	0.00	0.00	0.00	0.00	0.00	0.00	10.00	19.50	24.50	33.19	33.33	33.33
HOLDLARGE4_U	4074	2.33	5.01	2.30	4.79	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	10.00	14.20	22.20	25.00	25.00
HOLDLARGE5_U	4074	1.12	3.09	3.11	9.91	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	5.31	9.00	14.28	20.00	20.00
HOLDLARGESUM2_U	3859	85.20	22.56	-1.42	0.97	0.01	7.00	10.65	36.26	48.56	72.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00
HOLDLARGESUM3_U	3859	90.63	18.31	-2.22	4.61	0.01	7.00	13.00	48.87	61.28	90.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00
HOLDLARGESUM4_U	3859	93.09	16.00	-2.88	8.66	0.01	7.00	13.00	56.50	71.87	97.45	100.00	100.00	100.00	100.00	100.00	100.00	100.00
HOLDLARGESUM5_U	3859	94.27	14.73	-3.35	12.15	0.01	7.00	13.00	61.12	78.50	99.40	100.00	100.00	100.00	100.00	100.00	100.00	100.00
HOLDLARGEOUTS_U	3155	67.61	34.73	-0.40	-1.48	0.37	1.99	4.07	10.32	16.71	33.33	82.00	100.00	100.00	100.00	100.00	100.00	100.00
HERFINDAHL_U	3859	0.67	0.35	-0.34	-1.51	0.00	0.00	0.01	0.12	0.18	0.34	0.80	1.00	1.00	1.00	1.00	1.00	1.00
NROWNERS_U	4074	2.73	3.21	4.55	39.30	1.00	1.00	1.00	1.00	1.00	1.00	1.00	3.00	6.00	8.00	16.00	57.00	57.00
HOLDMEAN_U	3901	63.30	36.95	-0.18	-1.70	0.01	2.31	2.92	9.04	13.88	25.00	50.00	100.00	100.00	100.00	100.00	100.00	100.00
HOLDMEDIAN_U	3901	62.07	38.55	-0.22	-1.66	0.01	0.25	0.35	5.00	9.59	23.50	50.00	100.00	100.00	100.00	100.00	100.00	100.00

Table 7.S1. Corporate governance: Descriptive statistics for 2005

Panel C. Large nonlisted firms

	n	mean	std	skewness	kurtosis	p0	p0_25	p0_5	p5	p10	p25	p50	p75	p90	p95	p99	p99_99	p100
HOLDUNSP_U	3859	25.43	38.05	1.14	-0.40	0.00	0.00	0.00	0.00	0.00	0.00	0.00	48.30	100.00	100.00	100.00	100.00	100.00
HOLDINST_U	4074	0.47	5.93	15.38	245.72	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	5.50	100.00	100.00
HOLDPERS_U	4074	33.82	42.38	0.68	-1.34	0.00	0.00	0.00	0.00	0.00	0.00	0.00	85.00	100.00	100.00	100.00	100.00	100.00
HOLDSTAT_U	4074	3.52	17.03	5.03	24.14	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	5.30	100.00	100.00	100.00
HOLDINTL_U	4074	23.84	41.61	1.23	-0.43	0.00	0.00	0.00	0.00	0.00	0.00	0.00	27.94	100.00	100.00	100.00	100.00	100.00
HOLDINDU_U	4074	4.98	20.19	4.16	15.99	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	44.81	100.00	100.00	100.00
SUMHOLD_U	3859	95.76	13.05	-4.17	19.29	0.01	7.90	14.29	69.06	87.60	99.99	100.00	100.00	100.00	100.00	100.00	100.00	100.00
BLOCK5NR_U	4074	2.12	1.73	1.50	2.45	0.00	0.00	0.00	0.00	1.00	1.00	1.00	3.00	5.00	6.00	8.00	13.00	13.00
BLOCK10NR_U	4074	1.72	1.21	1.27	1.59	0.00	0.00	0.00	0.00	1.00	1.00	1.00	2.00	3.00	4.00	6.00	8.00	8.00
BLOCK5SH_U	4074	89.65	25.55	-2.76	6.44	0.00	0.00	0.00	0.00	63.24	96.50	100.00	100.00	100.00	100.00	100.00	100.00	100.00
BLOCK10SH_U	4074	86.61	27.57	-2.28	4.04	0.00	0.00	0.00	0.00	47.15	90.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00
INSHOLD_CEO	1428	39.50	38.87	0.49	-1.30	0.00	0.00	0.00	0.00	0.00	0.00	29.53	73.02	100.00	100.00	100.00	100.00	100.00
INSHOLD_BDEXCEO	1428	31.35	32.23	0.77	-0.55	0.00	0.00	0.00	0.00	0.00	0.00	22.62	50.00	85.30	100.00	100.00	100.00	100.00
INSHOLD_BD	1428	69.39	34.74	-0.65	-1.10	0.00	0.00	0.00	6.31	12.50	40.00	86.73	100.00	100.00	100.00	100.00	100.00	100.00
INSHOLD_ALL	1428	70.84	33.58	-0.69	-1.03	0.01	1.70	3.00	8.70	15.00	44.67	88.80	100.00	100.00	100.00	100.00	100.00	100.00
INSHOLD_LARGE1	1428	54.29	33.50	0.18	-1.38	0.01	1.28	2.00	7.50	10.02	25.00	50.00	100.00	100.00	100.00	100.00	100.00	100.00
INSHOLD_LARGE2	1428	12.33	16.15	1.08	-0.10	0.00	0.00	0.00	0.00	0.00	0.00	0.00	22.34	40.00	50.00	50.00	50.00	50.00
INSHOLD_LARGE3	1428	3.07	7.24	2.49	5.49	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	14.30	20.40	32.50	33.33	33.33
INSHOLD_LARGE4	1428	0.80	3.27	4.68	23.41	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	7.60	18.59	25.00	25.00
INSHOLD_LARGE5	1428	0.26	1.72	7.68	65.38	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	10.00	20.00	20.00
INSHOLD_TYPE1	1428	13.66	25.88	2.03	3.33	0.00	0.00	0.00	0.00	0.00	0.00	0.00	18.04	50.00	78.00	100.00	100.00	100.00
INSHOLD_TYPE2	1428	18.31	23.83	1.30	1.07	0.00	0.00	0.00	0.00	0.00	0.00	5.60	33.00	50.00	65.30	98.00	100.00	100.00
INSHOLD_TYPE3	1428	13.04	26.05	2.13	3.66	0.00	0.00	0.00	0.00	0.00	0.00	0.00	11.95	50.00	80.00	100.00	100.00	100.00
INSHOLD_TYPE4	1428	24.39	39.53	1.17	-0.42	0.00	0.00	0.00	0.00	0.00	0.00	0.00	50.00	100.00	100.00	100.00	100.00	100.00
INSRANK_TYPE1	1428	0.43	0.73	1.58	1.60	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1.00	2.00	2.00	3.00	3.00	3.00
INSRANK_TYPE2	1428	0.74	0.81	0.72	-0.51	0.00	0.00	0.00	0.00	0.00	0.00	1.00	1.00	2.00	2.00	3.00	3.00	3.00
INSRANK_TYPE3	1428	0.45	0.78	1.67	1.85	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1.00	2.00	2.00	3.00	3.00	3.00
INSRANK_TYPE4	1428	0.36	0.56	1.29	0.68	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1.00	1.00	1.00	2.00	2.00	2.00
Board (BD)																		
BD_TURN	3509	0.06	0.12	2.56	7.38	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.24	0.33	0.56	0.83	0.83
DISCHSAME	3786	0.78	0.41	-1.35	-0.17	0.00	0.00	0.00	0.00	0.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
DISCEOSAME	3460	0.90	0.30	-2.74	5.54	0.00	0.00	0.00	0.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
BD_SIZE	4122	3.89	2.01	0.73	0.57	1.00	1.00	1.00	1.00	1.00	3.00	4.00	5.00	7.00	8.00	9.00	14.00	14.00
BD_AVG_AGE	3928	50.78	7.13	-0.02	0.41	25.00	30.00	31.00	39.00	41.86	46.06	50.75	55.50	60.00	62.00	67.00	82.00	82.00
BD_AVG_AGE_M	3871	51.38	7.37	-0.02	0.55	25.00	30.00	31.00	39.00	42.00	46.86	51.50	56.20	60.33	63.00	68.50	92.00	92.00
BD_AVG_AGE_F	1369	47.56	9.65	0.39	0.30	22.00	24.00	26.00	33.00	36.00	41.00	47.00	54.00	60.00	64.00	74.00	87.00	87.00
BD_SD_AGE	3109	8.58	4.78	0.49	-0.14	0.00	0.00	0.00	1.41	2.52	4.95	8.06	11.72	15.20	16.97	21.21	26.16	26.16
DBD_NR_FEM_EMPL	4122	0.00	0.00	.	.	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
DCEOCHBD	3953	0.19	0.39	1.61	0.59	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1.00	1.00	1.00	1.00	1.00
DCEODIRECTOR	3954	0.37	0.48	0.53	-1.72	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1.00	1.00	1.00	1.00	1.00	1.00
BD_NR_EMPL_PERC	4122	0.00	0.00	.	.	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
BD_NR_FEM_EMPL_PERC	4122	0.00	0.00	.	.	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
BD_NR_FEM_STOCKH_PERC	4122	0.11	0.19	1.97	4.42	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.20	0.33	0.50	0.75	1.00	1.00
BD_NR_FEM_PERC	4122	0.11	0.19	1.95	4.32	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.20	0.33	0.50	0.75	1.00	1.00

This table presents univariate descriptive statistics of corporate governance characteristics for the sample of large nonlisted Norwegian firms with limited liability as defined in table 4.1 The sample includes non-financial firms that pass basic accounting consistency tests, activity level tests, and that are not subsidiaries. The variables are defined in appendix 7.A1. The subscript "D" denotes direct (first level) ownership, while the subscript "U" denotes ultimate (all levels) ownership, i.e. the direct ownership plus the indirect ownership through pyramids. Large nonlisted firms are the nonlisted firms in the top 5% sales decile.

Table 7.S1. Corporate governance: Descriptive statistics for 2005

Panel D. Listed firms

	n	mean	std	skewness	kurtosis	p0	p0_01	p1	p5	p10	p25	p50	p75	p90	p95	p99	p99_99	p100
Ownership: Direct (D)																		
HOLDLARGE1_D	134	25.24	14.93	0.88	0.34	4.77	4.77	6.01	7.34	9.06	12.87	22.20	35.51	47.27	51.58	70.14	71.54	71.54
HOLDLARGE2_D	134	10.68	7.03	2.34	7.39	2.00	2.00	2.61	3.74	4.45	6.55	9.15	12.15	18.65	20.49	36.94	46.73	46.73
HOLDLARGE3_D	134	6.97	3.64	1.10	1.23	1.72	1.72	1.75	2.36	2.96	4.48	5.85	9.13	11.34	14.53	18.64	19.51	19.51
HOLDLARGE4_D	134	4.88	2.28	0.97	1.45	0.93	0.93	1.08	1.95	2.15	3.15	4.55	5.93	8.11	9.72	10.37	14.26	14.26
HOLDLARGE5_D	134	3.72	1.49	0.09	-0.59	0.72	0.72	0.75	1.30	1.75	2.57	3.68	4.90	5.48	6.18	7.00	7.43	7.43
HOLDLARGESUM2_D	134	35.92	17.73	0.75	0.40	7.93	7.93	8.92	12.45	14.84	20.81	34.72	47.15	59.29	69.17	84.44	95.37	95.37
HOLDLARGESUM3_D	134	42.89	18.48	0.50	-0.08	10.40	10.40	11.22	16.80	19.88	27.25	41.44	55.36	66.92	75.41	91.70	97.09	97.09
HOLDLARGESUM4_D	134	47.77	18.55	0.30	-0.35	12.50	12.50	13.37	20.12	24.07	32.13	48.04	60.89	70.87	80.09	94.61	98.49	98.49
HOLDLARGESUM5_D	134	51.48	18.47	0.18	-0.46	14.27	14.27	15.52	22.65	28.09	36.92	52.74	63.91	74.99	84.07	96.81	99.62	99.62
HOLDLARGEOUTS_D	127	25.03	14.77	0.81	0.18	6.00	6.00	6.11	7.34	8.70	12.50	22.32	35.50	47.30	50.00	70.90	71.54	71.54
HOLDSMALLOUTS_D	127	9.21	9.94	3.89	16.36	3.40	3.40	4.85	5.00	5.03	5.20	5.88	8.21	13.90	36.94	47.30	70.90	70.90
HERFINDAHL_D	134	0.12	0.10	1.74	3.41	0.01	0.01	0.01	0.02	0.03	0.04	0.09	0.17	0.26	0.31	0.49	0.52	0.52
NROWNERS_D	134	3863.11	8317.62	4.79	26.36	130.00	130.00	180.00	246.00	422.00	772.00	1447.50	3106.00	6878.00	16552.00	41360.00	63986.00	63986.00
NROWNERSINS	5	1.20	0.45	2.24	5.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	2.00	2.00	2.00	2.00	2.00
HOLDMEAN_D	134	0.11	0.12	2.56	8.15	0.00	0.00	0.00	0.01	0.02	0.03	0.07	0.13	0.24	0.41	0.56	0.77	0.77
HOLDMEDIAN_D	134	0.00	0.01	2.86	9.32	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.01	0.01	0.03	0.03	0.03
HOLDUNSP_D	134	0.00	0.00	.	.	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
HOLDINST_D	134	14.39	10.20	0.71	0.09	0.00	0.00	0.00	0.29	1.76	6.89	12.32	21.68	28.85	32.97	43.27	44.79	44.79
HOLDPERS_D	134	17.95	16.28	1.52	2.28	0.26	0.26	0.33	1.21	2.18	5.94	13.65	22.95	42.84	54.24	76.53	80.19	80.19
HOLDSTAT_D	134	4.39	12.18	3.73	14.18	0.00	0.00	0.00	0.00	0.00	0.00	0.01	1.05	10.32	37.88	58.93	72.11	72.11
HOLDINTL_D	134	25.20	22.25	0.93	0.05	0.01	0.01	0.01	0.69	1.83	7.51	17.31	38.18	58.78	67.12	80.57	97.73	97.73
HOLDINDU_D	134	38.07	22.41	0.33	-0.61	0.45	0.45	0.48	5.08	10.16	19.83	36.09	55.77	68.81	77.63	89.39	99.65	99.65
SUMHOLD_D	134	100.00	0.00	.	.	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00
BLOCK5NR_D	134	3.23	1.52	0.21	-0.54	0.00	0.00	1.00	1.00	1.00	2.00	3.00	4.00	5.00	6.00	7.00	7.00	7.00
BLOCK10NR_D	134	1.41	0.97	0.61	-0.10	0.00	0.00	0.00	0.00	0.00	1.00	1.00	2.00	3.00	3.00	4.00	4.00	4.00
BLOCK5SH_D	134	45.68	21.51	-0.03	-0.63	0.00	0.00	6.01	9.82	14.63	28.52	47.35	59.75	72.87	81.49	91.70	95.37	95.37
BLOCK10SH_D	134	32.80	22.87	0.33	-0.58	0.00	0.00	0.00	0.00	0.00	12.87	31.81	49.88	66.29	70.14	87.81	95.37	95.37
TYPELARGE1_D	134	4.13	1.20	-1.40	0.98	1.00	1.00	1.00	1.00	2.00	4.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00
Ownership: Ultimate (U)																		
HOLDLARGE1_U	126	24.98	16.04	0.94	0.17	0.31	0.31	3.24	7.26	7.97	11.50	20.61	34.19	50.15	57.23	66.60	70.90	70.90
HOLDLARGE2_U	132	7.26	6.49	1.05	1.84	0.00	0.00	0.00	0.00	0.00	0.27	7.10	9.99	15.31	19.10	27.10	34.10	34.10
HOLDLARGE3_U	132	3.60	4.13	1.18	1.21	0.00	0.00	0.00	0.00	0.00	0.00	2.15	6.06	8.89	11.12	17.40	18.60	18.60
HOLDLARGE4_U	132	2.15	2.83	1.02	-0.32	0.00	0.00	0.00	0.00	0.00	0.00	0.29	4.74	6.45	7.91	9.20	10.00	10.00
HOLDLARGE5_U	132	1.05	1.89	2.13	4.17	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1.32	3.89	5.31	7.99	8.96	8.96
HOLDLARGESUM2_U	126	32.59	17.36	0.43	-0.56	0.63	0.63	5.45	7.97	10.47	18.60	31.17	43.60	60.80	63.73	70.90	73.23	73.23
HOLDLARGESUM3_U	126	36.36	18.56	0.29	-0.41	0.86	0.86	5.45	8.21	10.47	21.81	37.03	46.90	63.10	67.29	80.49	87.80	87.80
HOLDLARGESUM4_U	126	38.61	19.31	0.14	-0.51	0.86	0.86	5.45	8.21	10.80	24.84	38.30	50.99	66.39	70.87	87.26	87.80	87.80
HOLDLARGESUM5_U	126	39.70	19.77	0.06	-0.61	0.86	0.86	5.45	8.21	10.80	24.84	40.56	52.82	66.39	71.91	87.26	87.80	87.80
HOLDLARGEOUTS_U	125	23.99	15.83	0.94	0.23	0.31	0.31	1.72	6.94	7.50	10.70	20.47	33.10	50.00	56.60	66.60	70.90	70.90
HERFINDAHL_U	126	0.10	0.11	1.64	2.31	0.00	0.00	0.00	0.01	0.01	0.03	0.07	0.14	0.27	0.34	0.44	0.50	0.50
NROWNERS_U	132	5.29	5.31	2.15	5.32	1.00	1.00	1.00	1.00	1.00	2.00	4.00	7.00	11.00	17.00	26.00	28.00	28.00
HOLDMEAN_U	128	13.53	13.77	2.37	5.90	0.29	0.29	1.18	2.33	3.27	6.01	8.53	15.00	30.32	43.82	66.60	70.90	70.90
HOLDMEDIAN_U	128	11.49	14.49	2.34	5.62	0.03	0.03	0.04	0.23	0.46	2.88	7.07	13.25	30.40	43.82	66.60	70.90	70.90

Table 7.S1. Corporate governance: Descriptive statistics for 2005

Panel D. Listed firms

	n	mean	std	skewness	kurtosis	p0	p0_01	p1	p5	p10	p25	p50	p75	p90	p95	p99	p99_99	p100
HOLDUNSP_U	126	16.15	16.60	1.12	0.64	0.00	0.00	0.00	0.00	0.00	1.18	10.41	25.78	42.29	52.61	58.99	70.90	70.90
HOLDINST_U	132	1.92	4.51	2.84	9.17	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	8.30	12.95	18.01	27.10	27.10
HOLDPERS_U	132	10.98	14.76	1.67	2.50	0.00	0.00	0.00	0.00	0.00	0.00	5.05	18.30	30.67	44.52	61.41	66.39	66.39
HOLDSTAT_U	132	2.87	8.88	4.31	19.94	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.09	9.80	13.69	43.82	58.89	58.89
HOLDINTL_U	132	6.84	14.12	2.54	6.20	0.00	0.00	0.00	0.00	0.00	0.00	0.00	6.10	25.38	40.38	63.10	66.60	66.60
HOLDINDU_U	132	1.41	6.07	6.31	47.23	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.51	10.00	28.51	54.20	54.20
SUMHOLD_U	126	41.31	20.62	-0.04	-0.78	0.86	0.86	5.45	8.21	10.80	24.84	43.42	55.63	68.67	72.75	87.26	87.80	87.80
BLOCK5NR_U	132	2.27	1.43	0.66	-0.08	0.00	0.00	0.00	0.00	1.00	1.00	2.00	3.00	4.00	5.00	6.00	6.00	6.00
BLOCK10NR_U	132	1.07	0.83	0.60	0.03	0.00	0.00	0.00	0.00	0.00	1.00	1.00	1.00	2.00	3.00	3.00	3.00	3.00
BLOCK5SH_U	132	35.88	20.87	0.11	-0.66	0.00	0.00	0.00	0.00	7.97	18.41	37.03	50.60	63.51	70.87	87.26	87.80	87.80
BLOCK10SH_U	132	27.14	21.59	0.37	-0.68	0.00	0.00	0.00	0.00	0.00	10.42	26.04	42.42	57.23	65.49	73.23	87.80	87.80
INSHOLD_CEO	5	1.02	2.28	2.24	5.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	5.10	5.10	5.10	5.10	5.10
INSHOLD_BDEXCEO	5	19.83	26.08	2.17	4.76	5.45	5.45	5.45	5.45	5.45	5.56	9.72	12.20	66.20	66.20	66.20	66.20	66.20
INSHOLD_BD	5	20.85	28.35	2.18	4.80	5.45	5.45	5.45	5.45	5.45	5.56	9.72	12.20	71.30	71.30	71.30	71.30	71.30
INSHOLD_ALL	5	20.85	28.35	2.18	4.80	5.45	5.45	5.45	5.45	5.45	5.56	9.72	12.20	71.30	71.30	71.30	71.30	71.30
INSHOLD_LARGE1	5	19.83	26.08	2.17	4.76	5.45	5.45	5.45	5.45	5.45	5.56	9.72	12.20	66.20	66.20	66.20	66.20	66.20
INSHOLD_LARGE2	5	1.02	2.28	2.24	5.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	5.10	5.10	5.10	5.10	5.10
INSHOLD_LARGE3	5	0.00	0.00	.	.	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
INSHOLD_LARGE4	5	0.00	0.00	.	.	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
INSHOLD_LARGE5	5	0.00	0.00	.	.	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
INSHOLD_TYPE1	5	1.02	2.28	2.24	5.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	5.10	5.10	5.10	5.10	5.10
INSHOLD_TYPE2	5	18.71	26.95	2.07	4.44	0.00	0.00	0.00	0.00	0.00	5.45	9.72	12.20	66.20	66.20	66.20	66.20	66.20
INSHOLD_TYPE3	5	1.11	2.49	2.24	5.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	5.56	5.56	5.56	5.56	5.56
INSHOLD_TYPE4	5	0.00	0.00	.	.	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
INSRANK_TYPE1	5	0.40	0.89	2.24	5.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	2.00	2.00	2.00	2.00	2.00
INSRANK_TYPE2	5	0.80	0.45	-2.24	5.00	0.00	0.00	0.00	0.00	0.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
INSRANK_TYPE3	5	0.20	0.45	2.24	5.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1.00	1.00	1.00	1.00	1.00
INSRANK_TYPE4	5	0.00	0.00	.	.	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Board (BD)																		
BD_TURN	120	0.17	0.18	1.29	1.60	0.00	0.00	0.00	0.00	0.00	0.00	0.17	0.23	0.39	0.60	0.71	0.75	0.75
DISCHSAME	122	0.84	0.37	-1.84	1.40	0.00	0.00	0.00	0.00	0.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
DISCEOSAME	115	0.78	0.41	-1.39	-0.07	0.00	0.00	0.00	0.00	0.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
BD_SIZE	134	6.51	1.74	0.36	-0.23	3.00	3.00	3.00	4.00	5.00	5.00	6.00	8.00	9.00	9.00	11.00	11.00	11.00
BD_AVG_AGE	134	51.08	5.16	0.34	1.00	38.00	38.00	39.80	42.33	44.33	47.67	50.86	54.20	56.78	59.80	64.60	70.00	70.00
BD_AVG_AGE_M	134	52.65	5.77	0.23	0.11	39.80	39.80	40.75	42.80	45.00	48.75	52.83	56.33	59.60	63.50	67.50	70.00	70.00
BD_AVG_AGE_F	101	45.42	6.14	0.11	-0.45	32.00	32.00	33.50	36.50	38.00	41.50	45.00	49.67	53.50	57.00	58.50	59.00	59.00
BD_SD_AGE	133	8.64	3.05	-0.13	-0.45	1.53	1.53	1.53	3.40	4.73	6.43	8.81	10.91	12.39	13.22	15.37	15.87	15.87
DBD_NR_FEM_EMPL	134	0.00	0.00	.	.	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
DCEOCHBD	134	0.01	0.09	11.58	134.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1.00	1.00
DCEODIRECTOR	134	0.10	0.30	2.75	5.67	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1.00	1.00	1.00	1.00
BD_NR_EMPL_PERC	134	0.00	0.00	.	.	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
BD_NR_FEM_EMPL_PERC	134	0.00	0.00	.	.	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
BD_NR_FEM_STOCKH_PERC	134	0.20	0.15	0.22	-0.31	0.00	0.00	0.00	0.00	0.00	0.11	0.20	0.29	0.40	0.43	0.50	0.67	0.67
BD_NR_FEM_PERC	134	0.20	0.15	0.22	-0.31	0.00	0.00	0.00	0.00	0.00	0.11	0.20	0.29	0.40	0.43	0.50	0.67	0.67

This table presents univariate descriptive statistics of corporate governance characteristics for the sample of listed Norwegian firms with limited liability as defined in table 4.1 The sample includes non-financial firms that pass basic accounting consistency tests, activity level tests, and that are not subsidiaries. The variables are defined in appendix 7.A1. The subscript "D" denotes direct (first level) ownership, while the subscript "U" denotes ultimate (all levels) ownership, i.e. the direct ownership plus the indirect ownership through pyramids.

Table 7.S2. Corporate governance: Descriptive statistics time series for all firms

		2000	2001	2002	2003	2004	2005
HOLDLARGE1_D	P50	65.00	65.00	65.00	65.00	65.00	66.00
	P75	100.00	100.00	100.00	100.00	100.00	100.00
	Mean	68.11	68.07	68.02	68.33	68.63	70.14
HOLDLARGE2_D	P50	20.00	20.00	20.00	20.00	20.00	17.33
	P75	35.00	35.00	35.00	34.70	34.30	34.00
	Mean	20.69	20.57	20.52	20.39	20.26	19.36
HOLDLARGE3_D	P50	0.00	0.00	0.00	0.00	0.00	0.00
	P75	10.00	10.00	10.00	10.00	10.00	10.00
	Mean	5.97	5.94	6.00	5.95	5.91	5.59
HOLDLARGE4_D	P50	0.00	0.00	0.00	0.00	0.00	0.00
	P75	0.00	0.00	0.00	0.00	0.00	0.00
	Mean	2.13	2.14	2.15	2.16	2.14	2.02
HOLDLARGE5_D	P50	0.00	0.00	0.00	0.00	0.00	0.00
	P75	0.00	0.00	0.00	0.00	0.00	0.00
	Mean	0.81	0.81	0.81	0.80	0.79	0.74
HOLDLARGESUM2_D	P50	100.00	100.00	100.00	100.00	100.00	100.00
	P75	100.00	100.00	100.00	100.00	100.00	100.00
	Mean	88.80	88.64	88.54	88.72	88.88	89.50
HOLDLARGESUM3_D	P50	100.00	100.00	100.00	100.00	100.00	100.00
	P75	100.00	100.00	100.00	100.00	100.00	100.00
	Mean	94.77	94.58	94.54	94.68	94.79	95.09
HOLDLARGESUM4_D	P50	100.00	100.00	100.00	100.00	100.00	100.00
	P75	100.00	100.00	100.00	100.00	100.00	100.00
	Mean	96.90	96.72	96.70	96.83	96.93	97.11
HOLDLARGESUM5_D	P50	100.00	100.00	100.00	100.00	100.00	100.00
	P75	100.00	100.00	100.00	100.00	100.00	100.00
	Mean	97.71	97.54	97.50	97.63	97.71	97.85
HOLDLARGEOUTS_D	P50	34.00	34.00	34.00	34.00	34.00	39.04
	P75	51.00	50.00	50.00	50.00	50.00	84.00
	Mean	43.55	41.52	41.28	40.38	41.61	49.21
HOLDSMALLOUTS_D	P50	30.00	25.80	25.00	25.00	25.00	33.20
	P75	50.00	49.00	49.00	46.25	49.90	70.00
	Mean	36.93	35.58	35.58	34.93	35.77	42.55
HERFINDAHL_D	P50	0.52	0.52	0.52	0.53	0.54	0.55
	P75	1.00	1.00	1.00	1.00	1.00	1.00
	Mean	0.64	0.64	0.64	0.64	0.64	0.66
NROWNERS_D	P50	2.00	2.00	2.00	2.00	2.00	2.00
	P75	3.00	3.00	3.00	3.00	3.00	3.00
	Mean	10.31	11.13	10.45	9.81	10.41	9.79
NROWNERSINS	P50	2.00	2.00	2.00	2.00	2.00	1.00
	P75	2.00	2.00	2.00	2.00	2.00	2.00
	Mean	1.76	1.75	1.77	1.78	1.74	1.71

Table 7.S2. Corporate governance: Descriptive statistics time series for all firms

		2000	2001	2002	2003	2004	2005
HOLDMEAN_D	P50	50.00	50.00	50.00	50.00	50.00	50.00
	P75	100.00	100.00	100.00	100.00	100.00	100.00
	Mean	59.30	59.49	59.55	59.88	60.34	62.72
HOLDMEDIAN_D	P50	50.00	50.00	50.00	50.00	50.00	50.00
	P75	100.00	100.00	100.00	100.00	100.00	100.00
	Mean	58.26	58.51	58.58	58.89	59.37	61.85
HOLDUNSP_D	P50	0.00	0.00	0.00	0.00	0.00	0.00
	P75	0.00	0.00	0.00	0.00	0.00	0.00
	Mean	9.08	6.00	5.38	5.25	5.39	12.57
HOLDINST_D	P50	0.00	0.00	0.00	0.00	0.00	0.00
	P75	0.00	0.00	0.00	0.00	0.00	0.00
	Mean	0.26	0.28	0.33	0.35	0.36	0.48
HOLDPERS_D	P50	100.00	100.00	100.00	100.00	100.00	100.00
	P75	100.00	100.00	100.00	100.00	100.00	100.00
	Mean	81.39	84.14	84.13	84.38	84.35	76.46
HOLDSTAT_D	P50	0.00	0.00	0.00	0.00	0.00	0.00
	P75	0.00	0.00	0.00	0.00	0.00	0.00
	Mean	0.94	0.98	1.01	1.00	1.01	1.01
HOLDINTL_D	P50	0.00	0.00	0.00	0.00	0.00	0.00
	P75	0.00	0.00	0.00	0.00	0.00	0.00
	Mean	2.90	3.35	3.32	3.30	3.20	3.32
HOLDINDU_D	P50	0.00	0.00	0.00	0.00	0.00	0.00
	P75	0.00	0.00	0.00	0.00	0.00	0.00
	Mean	4.20	3.75	4.23	4.21	4.25	4.84
SUMHOLD_D	P50	100.00	100.00	100.00	100.00	100.00	100.00
	P75	100.00	100.00	100.00	100.00	100.00	100.00
	Mean	98.80	98.55	98.45	98.53	98.60	98.73
BLOCK5NR_D	P50	2.00	2.00	2.00	2.00	2.00	2.00
	P75	3.00	3.00	3.00	3.00	3.00	3.00
	Mean	2.21	2.21	2.22	2.21	2.21	2.14
BLOCK10NR_D	P50	2.00	2.00	2.00	2.00	2.00	2.00
	P75	2.00	2.00	2.00	2.00	2.00	2.00
	Mean	1.96	1.96	1.96	1.96	1.95	1.90
BLOCK5SH_D	P50	100.00	100.00	100.00	100.00	100.00	100.00
	P75	100.00	100.00	100.00	100.00	100.00	100.00
	Mean	97.87	97.77	97.76	97.90	98.01	98.15
BLOCK10SH_D	P50	100.00	100.00	100.00	100.00	100.00	100.00
	P75	100.00	100.00	100.00	100.00	100.00	100.00
	Mean	95.90	95.72	95.70	95.84	95.94	96.20
TYPELARGE1_D	P50	2.00	2.00	2.00	2.00	2.00	2.00
	P75	2.00	2.00	2.00	2.00	2.00	2.00
	Mean	2.04	2.09	2.13	2.13	2.12	1.98

Table 7.S2. Corporate governance: Descriptive statistics time series for all firms

		2000	2001	2002	2003	2004	2005
HOLDLARGE1_U	P50	65.22	65.00	65.00	65.00	66.00	66.00
	P75	100.00	100.00	100.00	100.00	100.00	100.00
	Mean	69.29	68.62	68.52	68.80	69.10	70.65
HOLDLARGE2_U	P50	17.00	17.35	16.67	17.00	16.45	13.33
	P75	34.00	34.00	34.00	34.00	34.00	34.00
	Mean	18.90	19.17	18.76	19.11	18.64	17.93
HOLDLARGE3_U	P50	0.00	0.00	0.00	0.00	0.00	0.00
	P75	8.33	9.70	9.03	9.83	9.00	7.71
	Mean	5.26	5.44	5.37	5.45	5.33	5.09
HOLDLARGE4_U	P50	0.00	0.00	0.00	0.00	0.00	0.00
	P75	0.00	0.00	0.00	0.00	0.00	0.00
	Mean	1.82	1.94	1.92	1.97	1.92	1.85
HOLDLARGE5_U	P50	0.00	0.00	0.00	0.00	0.00	0.00
	P75	0.00	0.00	0.00	0.00	0.00	0.00
	Mean	0.67	0.73	0.71	0.73	0.71	0.69
HOLDLARGESUM2_U	P50	100.00	100.00	100.00	100.00	100.00	100.00
	P75	100.00	100.00	100.00	100.00	100.00	100.00
	Mean	89.44	88.77	88.66	88.82	88.96	89.56
HOLDLARGESUM3_U	P50	100.00	100.00	100.00	100.00	100.00	100.00
	P75	100.00	100.00	100.00	100.00	100.00	100.00
	Mean	95.05	94.49	94.42	94.52	94.64	94.92
HOLDLARGESUM4_U	P50	100.00	100.00	100.00	100.00	100.00	100.00
	P75	100.00	100.00	100.00	100.00	100.00	100.00
	Mean	96.99	96.53	96.48	96.59	96.68	96.87
HOLDLARGESUM5_U	P50	100.00	100.00	100.00	100.00	100.00	100.00
	P75	100.00	100.00	100.00	100.00	100.00	100.00
	Mean	97.70	97.30	97.25	97.35	97.44	97.60
HOLDLARGEOUTS_U	P50	35.00	34.00	34.00	34.00	34.00	40.00
	P75	66.66	54.00	52.00	51.00	53.40	96.27
	Mean	46.26	43.00	42.33	41.28	42.62	50.11
HERFINDAHL_U	P50	0.54	0.54	0.53	0.54	0.54	0.55
	P75	1.00	1.00	1.00	1.00	1.00	1.00
	Mean	0.65	0.64	0.64	0.64	0.65	0.66
NROWNERS_U	P50	2.00	2.00	2.00	2.00	2.00	2.00
	P75	3.00	3.00	3.00	3.00	3.00	3.00
	Mean	2.56	2.54	2.43	2.42	2.37	2.31
HOLDMEAN_U	P50	50.00	50.00	50.00	50.00	50.00	50.00
	P75	100.00	100.00	100.00	100.00	100.00	100.00
	Mean	59.97	59.52	59.59	59.93	60.36	62.68
HOLDMEDIAN_U	P50	50.00	50.00	50.00	50.00	50.00	50.00
	P75	100.00	100.00	100.00	100.00	100.00	100.00
	Mean	58.83	58.41	58.49	58.82	59.26	61.67

Table 7.S2. Corporate governance: Descriptive statistics time series for all firms

		2000	2001	2002	2003	2004	2005
HOLDUNSP_U	P50	0.00	0.00	0.00	0.00	0.00	0.00
	P75	0.00	0.00	0.00	0.00	0.00	0.00
	Mean	9.53	5.83	5.42	5.48	5.60	12.69
HOLDINST_U	P50	0.00	0.00	0.00	0.00	0.00	0.00
	P75	0.00	0.00	0.00	0.00	0.00	0.00
	Mean	0.17	0.18	0.20	0.20	0.19	0.22
HOLDPERS_U	P50	100.00	100.00	100.00	100.00	100.00	100.00
	P75	100.00	100.00	100.00	100.00	100.00	100.00
	Mean	78.06	82.05	80.26	82.52	81.12	75.25
HOLDSTAT_U	P50	0.00	0.00	0.00	0.00	0.00	0.00
	P75	0.00	0.00	0.00	0.00	0.00	0.00
	Mean	0.96	1.02	1.06	1.05	1.05	1.05
HOLDINTL_U	P50	0.00	0.00	0.00	0.00	0.00	0.00
	P75	0.00	0.00	0.00	0.00	0.00	0.00
	Mean	2.64	3.18	3.09	3.18	3.03	3.15
HOLDINDU_U	P50	0.00	0.00	0.00	0.00	0.00	0.00
	P75	0.00	0.00	0.00	0.00	0.00	0.00
	Mean	1.51	1.32	1.62	1.47	1.50	1.53
SUMHOLD_U	P50	100.00	100.00	100.00	100.00	100.00	100.00
	P75	100.00	100.00	100.00	100.00	100.00	100.00
	Mean	98.42	98.07	97.99	98.08	98.17	98.32
BLOCK5NR_U	P50	2.00	2.00	2.00	2.00	2.00	2.00
	P75	3.00	3.00	3.00	3.00	3.00	3.00
	Mean	2.01	2.07	2.03	2.08	2.04	2.01
BLOCK10NR_U	P50	2.00	2.00	2.00	2.00	2.00	2.00
	P75	2.00	2.00	2.00	2.00	2.00	2.00
	Mean	1.81	1.84	1.81	1.84	1.81	1.78
BLOCK5SH_U	P50	100.00	100.00	100.00	100.00	100.00	100.00
	P75	100.00	100.00	100.00	100.00	100.00	100.00
	Mean	91.63	92.62	90.68	93.05	91.58	92.72
BLOCK10SH_U	P50	100.00	100.00	100.00	100.00	100.00	100.00
	P75	100.00	100.00	100.00	100.00	100.00	100.00
	Mean	89.98	90.81	88.87	91.18	89.72	90.92
INSHOLD_CEO	P50	50.00	50.00	50.00	50.00	50.00	50.00
	P75	98.00	100.00	100.00	100.00	100.00	100.00
	Mean	50.30	51.24	51.60	51.22	53.22	53.52
INSHOLD_BDEXCEO	P50	33.33	33.00	33.33	34.00	32.00	31.00
	P75	55.70	54.66	55.00	60.00	50.17	50.40
	Mean	35.33	34.79	35.02	36.35	33.70	33.98
INSHOLD_BD	P50	100.00	100.00	100.00	100.00	100.00	100.00
	P75	100.00	100.00	100.00	100.00	100.00	100.00
	Mean	84.59	84.61	85.62	86.67	85.81	86.53
INSHOLD_ALL	P50	100.00	100.00	100.00	100.00	100.00	100.00
	P75	100.00	100.00	100.00	100.00	100.00	100.00
	Mean	85.63	86.03	86.62	87.57	86.91	87.50

Table 7.S2. Corporate governance: Descriptive statistics time series for all firms

		2000	2001	2002	2003	2004	2005
INSHOLD_LARGE1	P50	60.00	60.00	60.00	62.50	64.00	65.00
	P75	100.00	100.00	100.00	100.00	100.00	100.00
	Mean	65.20	65.73	65.80	66.24	66.52	67.45
INSHOLD_LARGE2	P50	5.00	4.76	6.25	8.34	5.00	0.00
	P75	33.33	33.33	33.33	33.33	33.33	33.33
	Mean	16.30	16.21	16.55	16.91	16.29	16.10
INSHOLD_LARGE3	P50	0.00	0.00	0.00	0.00	0.00	0.00
	P75	0.00	0.00	0.00	0.00	0.00	0.00
	Mean	3.23	3.19	3.33	3.43	3.21	3.06
INSHOLD_LARGE4	P50	0.00	0.00	0.00	0.00	0.00	0.00
	P75	0.00	0.00	0.00	0.00	0.00	0.00
	Mean	0.71	0.70	0.75	0.78	0.70	0.70
INSHOLD_LARGE5	P50	0.00	0.00	0.00	0.00	0.00	0.00
	P75	0.00	0.00	0.00	0.00	0.00	0.00
	Mean	0.15	0.14	0.15	0.16	0.14	0.14
INSHOLD_TYPE1	P50	0.00	0.00	0.00	0.00	0.00	0.00
	P75	0.00	0.00	0.00	2.74	10.00	0.00
	Mean	10.58	10.81	11.19	11.46	11.77	11.36
INSHOLD_TYPE2	P50	0.00	0.00	0.00	0.00	0.00	0.00
	P75	35.00	35.00	35.00	35.00	34.00	34.00
	Mean	18.88	18.44	18.57	18.71	17.55	17.33
INSHOLD_TYPE3	P50	0.00	0.00	0.00	0.00	0.00	0.00
	P75	30.00	28.00	30.00	33.00	28.34	30.00
	Mean	16.45	16.35	16.45	17.64	16.14	16.65
INSHOLD_TYPE4	P50	25.00	26.00	30.00	21.40	32.00	32.00
	P75	80.00	84.04	90.00	90.00	99.00	100.00
	Mean	38.68	39.01	39.42	38.86	40.35	41.19
INSRANK_TYPE1	P50	0.00	0.00	0.00	0.00	0.00	0.00
	P75	0.00	0.00	0.00	1.00	1.00	0.00
	Mean	0.36	0.37	0.38	0.39	0.39	0.37
INSRANK_TYPE2	P50	0.00	0.00	0.00	0.00	0.00	0.00
	P75	2.00	1.00	1.00	1.00	1.00	1.00
	Mean	0.75	0.73	0.74	0.73	0.70	0.68
INSRANK_TYPE3	P50	0.00	0.00	0.00	0.00	0.00	0.00
	P75	1.00	1.00	1.00	1.00	1.00	1.00
	Mean	0.48	0.48	0.49	0.51	0.48	0.48
INSRANK_TYPE4	P50	1.00	1.00	1.00	1.00	1.00	1.00
	P75	1.00	1.00	1.00	1.00	1.00	1.00
	Mean	0.59	0.59	0.60	0.58	0.59	0.59
BD_TURN	P50		0.00	0.00	0.00	0.00	0.00
	P75		0.00	0.00	0.00	0.00	0.00
	Mean		0.06	0.03	0.00	0.09	0.02
DISCHSAME	P50		1.00	1.00	1.00	1.00	1.00
	P75		1.00	1.00	1.00	1.00	1.00
	Mean		0.97	0.99	1.00	0.95	1.00
DISCEOSAME	P50	1.00	1.00	1.00	1.00	1.00	1.00
	P75	1.00	1.00	1.00	1.00	1.00	1.00
	Mean	0.94	0.95	0.94	0.93	0.96	0.95
BD_SIZE	P50	2.00	2.00	2.00	2.00	2.00	2.00
	P75	3.00	3.00	3.00	3.00	3.00	3.00
	Mean	2.29	2.25	2.27	2.27	2.24	2.26

Table 7.S2. Corporate governance: Descriptive statistics time series for all firms

		2000	2001	2002	2003	2004	2005
BD_AVG_AGE	P50	48.00	48.00	48.50	49.00	49.00	50.00
	P75	54.00	54.33	55.00	55.50	55.20	56.00
	Mean	48.07	48.26	48.64	49.31	49.11	49.85
BD_AVG_AGE_M	P50	48.00	48.50	49.00	50.00	49.50	50.29
	P75	54.50	55.00	55.00	56.00	56.00	57.00
	Mean	48.41	48.64	49.05	49.75	49.60	50.38
BD_AVG_AGE_F	P50	46.67	46.67	47.00	47.00	47.00	48.00
	P75	54.50	55.00	55.00	56.00	55.00	56.00
	Mean	47.00	47.02	47.33	47.93	47.45	48.25
BD_SD_AGE	P50	6.88	6.95	6.95	6.95	7.07	7.05
	P75	12.73	12.74	12.73	12.73	12.79	12.73
	Mean	8.20	8.22	8.22	8.19	8.28	8.23
DBD_NR_FEM_EMPL	P50	0.00	0.00	0.00	0.00	0.00	0.00
	P75	0.00	0.00	0.00	0.00	0.00	0.00
	Mean	0.00	0.00	0.00	0.00	0.01	0.00
DCEOCHBD	P50	1.00	1.00	1.00	1.00	1.00	1.00
	P75	1.00	1.00	1.00	1.00	1.00	1.00
	Mean	0.68	0.68	0.67	0.67	0.67	0.67
DCEODIRECTOR	P50	0.00	0.00	0.00	0.00	0.00	0.00
	P75	1.00	1.00	1.00	1.00	1.00	1.00
	Mean	0.32	0.32	0.33	0.33	0.33	0.33
HOLDTYPERANK1	P50	2.00	2.00	2.00	2.00	2.00	2.00
	P75	2.00	2.00	2.00	2.00	2.00	2.00
	Mean	2.03	2.09	2.12	2.12	2.11	1.97
DBIGSB1S0	P50	0.00	0.00	0.00	0.00	0.00	0.00
	P75	0.00	0.00	0.00	0.00	0.00	0.00
	Mean	0.05	0.05	0.05	0.05	0.05	0.05
BD_NR_EMPL_PERC	P50	0.00	0.00	0.00	0.00	0.00	0.00
	P75	0.00	0.00	0.00	0.00	0.00	0.00
	Mean	0.00	0.00	0.00	0.00	0.00	0.00

This table presents univariate descriptive statistics of the time series of corporate governance characteristics for the sample of all Norwegian firms with limited liability as defined in table 4.1 The sample includes non-financial firms that pass basic accounting consistency tests, activity level tests, and that are not subsidiaries. We report cross section median (P50), the 75th percentile (P75), and the mean of the variables, which are defined in appendix 7.A1. The subscript "D" denotes direct (first level) ownership, while the subscript "U" denotes ultimate (all levels) ownership, i.e. the sum of direct ownership and indirect ownership through pyramids.

Table 7.S3. Corporate governance: Descriptive statistics for all firms by industry sector

		Industry sector								
		0	1	2	3	4	5	7	8	9
HOLDLARGE1_D	P50	66.00	51.00	60.00	60.00	65.00	65.00	66.00	65.80	66.00
	P75	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00
	Mean	69.45	62.94	65.14	64.84	68.67	67.58	72.05	68.58	69.69
HOLDLARGE2_D	P50	18.00	25.00	20.00	13.15	23.60	20.00	17.86	17.46	20.00
	P75	34.00	40.00	34.00	30.00	36.00	34.00	35.00	34.00	35.00
	Mean	19.28	23.12	20.65	16.11	21.72	20.29	19.53	19.38	20.38
HOLDLARGE3_D	P50	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	P75	10.88	14.28	13.10	12.50	10.00	10.94	5.60	10.00	10.00
	Mean	6.19	7.11	6.89	6.42	6.01	6.16	4.94	5.48	5.62
HOLDLARGE4_D	P50	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	P75	0.00	0.00	0.00	4.58	0.00	0.00	0.00	0.00	0.00
	Mean	2.17	2.85	2.64	3.06	1.93	2.33	1.59	1.98	1.92
HOLDLARGE5_D	P50	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	P75	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	Mean	0.93	1.10	1.05	1.67	0.61	0.91	0.52	0.82	0.65
HOLDLARGESUM2_D	P50	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00
	P75	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00
	Mean	88.73	86.06	85.79	80.95	90.39	87.87	91.58	87.96	90.06
HOLDLARGESUM3_D	P50	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00
	P75	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00
	Mean	94.91	93.17	92.67	87.37	96.40	94.03	96.52	93.44	95.69
HOLDLARGESUM4_D	P50	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00
	P75	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00
	Mean	97.08	96.02	95.31	90.44	98.33	96.37	98.11	95.43	97.61
HOLDLARGESUM5_D	P50	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00
	P75	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00
	Mean	98.01	97.13	96.36	92.10	98.94	97.28	98.63	96.25	98.26
HOLDLARGEOUTS_D	P50	34.00	34.00	33.33	50.00	33.33	34.00	35.02	34.00	40.00
	P75	50.00	50.00	50.00	100.00	48.00	50.00	90.00	52.40	82.60
	Mean	44.19	38.97	40.82	61.24	36.86	41.39	48.06	43.63	49.86
HOLDSMALLOUTS_D	P50	30.00	22.00	20.00	33.30	25.00	25.00	34.00	25.00	33.00
	P75	50.00	48.84	45.00	100.00	40.00	48.00	80.00	50.00	66.00
	Mean	39.26	31.34	33.44	48.45	32.82	34.97	43.52	36.81	41.74
HERFINDAHL_D	P50	0.55	0.50	0.50	0.50	0.52	0.52	0.55	0.55	0.55
	P75	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
	Mean	0.66	0.58	0.60	0.59	0.65	0.63	0.68	0.64	0.65
NROWNERS_D	P50	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00
	P75	3.00	3.00	3.00	4.00	3.00	3.00	3.00	3.00	3.00
	Mean	13.70	8.37	30.23	371.03	2.75	8.14	4.08	16.44	3.32
NROWNERSINS	P50	1.00	2.00	2.00	2.00	2.00	2.00	1.00	1.00	2.00
	P75	2.00	2.00	2.00	3.00	2.00	2.00	2.00	2.00	2.00
	Mean	1.70	1.90	1.84	2.00	1.79	1.76	1.68	1.73	1.76

Table 7.S3. Corporate governance: Descriptive statistics for all firms by industry sector

		Industry sector								
		0	1	2	3	4	5	7	8	9
HOLDMEAN_D	P50	50.00	50.00	50.00	50.00	50.00	50.00	50.00	50.00	50.00
	P75	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00
	Mean	62.59	54.74	55.55	55.05	60.88	59.17	64.03	60.17	61.54
HOLDMEDIAN_D	P50	50.00	50.00	50.00	50.00	50.00	50.00	50.00	50.00	50.00
	P75	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00
	Mean	61.79	53.92	54.39	54.09	59.98	58.19	63.11	59.19	60.55
HOLDUNSP_D	P50	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	P75	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	Mean	9.10	6.78	7.77	8.92	5.66	7.77	6.87	7.24	6.88
HOLDINST_D	P50	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	P75	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	Mean	0.49	0.47	0.43	1.32	0.03	0.52	0.11	0.30	0.19
HOLDPERS_D	P50	100.00	100.00	100.00	0.00	100.00	100.00	100.00	100.00	100.00
	P75	100.00	100.00	100.00	66.00	100.00	100.00	100.00	100.00	100.00
	Mean	82.94	80.83	78.83	27.90	91.33	81.87	83.31	78.90	78.26
HOLDSTAT_D	P50	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	P75	0.00	0.00	0.00	51.00	0.00	0.00	0.00	0.00	0.00
	Mean	0.13	0.40	0.38	25.33	0.12	1.03	0.04	1.58	8.82
HOLDINTL_D	P50	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	P75	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	Mean	2.70	1.13	4.24	15.17	0.81	2.25	5.93	3.97	1.65
HOLDINDU_D	P50	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	P75	0.00	0.00	0.00	20.20	0.00	0.00	0.00	0.00	0.00
	Mean	3.72	8.56	6.11	17.37	1.46	4.94	2.82	5.52	3.05
SUMHOLD_D	P50	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00
	P75	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00
	Mean	99.09	98.19	97.80	96.05	99.43	98.42	99.13	97.58	98.89
BLOCK5NR_D	P50	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00
	P75	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00
	Mean	2.17	2.44	2.40	2.47	2.14	2.26	2.01	2.20	2.13
BLOCK10NR_D	P50	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00
	P75	3.00	3.00	3.00	3.00	2.00	3.00	2.00	2.00	2.00
	Mean	1.96	2.13	2.05	2.01	1.96	1.98	1.84	1.90	1.92
BLOCK5SH_D	P50	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00
	P75	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00
	Mean	98.39	97.55	96.67	92.56	99.12	97.65	98.62	96.65	98.38
BLOCK10SH_D	P50	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00
	P75	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00
	Mean	96.72	95.00	93.87	89.01	97.60	95.40	97.18	94.27	96.61
TYPELARGE1_D	P50	2.00	2.00	2.00	3.00	2.00	2.00	2.00	2.00	2.00
	P75	2.00	2.00	2.00	4.00	2.00	2.00	2.00	2.00	2.00
	Mean	2.02	2.14	2.15	2.97	1.98	2.08	2.08	2.14	2.09

Table 7.S3. Corporate governance: Descriptive statistics for all firms by industry sector

		Industry sector								
		0	1	2	3	4	5	7	8	9
HOLDLARGE1_U	P50	66.66	51.00	60.00	64.00	65.00	65.00	67.00	66.00	66.00
	P75	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00
	Mean	70.56	63.09	65.70	65.51	69.04	68.31	72.58	69.30	70.21
HOLDLARGE2_U	P50	0.00	20.00	17.00	5.30	20.00	16.79	12.00	12.06	18.00
	P75	31.00	34.00	33.40	23.25	35.00	34.00	34.00	34.00	34.00
	Mean	14.66	20.60	18.92	12.56	20.76	18.72	18.11	17.67	19.24
HOLDLARGE3_U	P50	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	P75	0.00	11.75	11.00	10.00	10.00	10.00	1.00	6.90	8.04
	Mean	4.49	6.48	6.19	5.37	5.67	5.53	4.48	4.88	5.20
HOLDLARGE4_U	P50	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	P75	0.00	0.70	0.00	2.31	0.00	0.00	0.00	0.00	0.00
	Mean	1.56	2.70	2.38	2.62	1.78	2.08	1.42	1.73	1.75
HOLDLARGE5_U	P50	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	P75	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	Mean	0.69	1.13	0.95	1.53	0.57	0.81	0.45	0.73	0.57
HOLDLARGESUM2_U	P50	100.00	100.00	100.00	99.99	100.00	100.00	100.00	100.00	100.00
	P75	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00
	Mean	89.38	84.97	85.72	79.19	90.60	88.14	91.82	88.10	90.30
HOLDLARGESUM3_U	P50	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00
	P75	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00
	Mean	95.15	91.85	92.26	85.03	96.49	94.00	96.58	93.28	95.73
HOLDLARGESUM4_U	P50	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00
	P75	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00
	Mean	97.15	94.72	94.78	87.88	98.34	96.21	98.09	95.13	97.56
HOLDLARGESUM5_U	P50	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00
	P75	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00
	Mean	98.04	95.92	95.78	89.54	98.93	97.06	98.57	95.90	98.16
HOLDLARGEOUTS_U	P50	38.48	30.47	33.33	51.02	34.00	34.00	36.41	35.00	40.00
	P75	83.05	50.00	54.88	100.00	50.00	55.00	100.00	65.00	93.90
	Mean	48.77	37.60	41.60	61.39	38.62	42.85	49.42	45.25	50.98
HERFINDAHL_U	P50	0.55	0.50	0.50	0.50	0.53	0.54	0.55	0.55	0.55
	P75	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
	Mean	0.67	0.58	0.60	0.59	0.65	0.64	0.68	0.64	0.66
NROWNERS_U	P50	1.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00
	P75	2.00	4.00	3.00	4.00	3.00	3.00	3.00	3.00	3.00
	Mean	2.09	3.19	2.84	3.84	2.18	2.53	2.11	2.73	2.29
HOLDMEAN_U	P50	50.00	50.00	50.00	50.00	50.00	50.00	50.00	50.00	50.00
	P75	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00
	Mean	63.15	53.17	55.58	55.07	61.10	59.33	64.28	60.15	61.60
HOLDMEDIAN_U	P50	50.00	50.00	50.00	50.00	50.00	50.00	50.00	50.00	50.00
	P75	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00
	Mean	62.27	51.88	54.23	53.63	60.19	58.20	63.29	59.00	60.56

Table 7.S3. Corporate governance: Descriptive statistics for all firms by industry sector

		Industry sector								
		0	1	2	3	4	5	7	8	9
HOLDUNSP_U	P50	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	P75	0.00	0.00	0.00	4.40	0.00	0.00	0.00	0.00	0.00
	Mean	9.13	7.04	8.01	10.18	5.62	7.96	6.93	7.61	6.94
HOLDINST_U	P50	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	P75	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	Mean	0.16	0.25	0.20	0.15	0.02	0.32	0.04	0.14	0.12
HOLDPERS_U	P50	100.00	100.00	100.00	0.00	100.00	100.00	100.00	100.00	100.00
	P75	100.00	100.00	100.00	65.60	100.00	100.00	100.00	100.00	100.00
	Mean	66.70	80.28	77.29	27.04	88.95	79.59	79.95	76.47	76.50
HOLDSTAT_U	P50	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	P75	0.00	0.00	0.00	61.10	0.00	0.00	0.00	0.00	0.00
	Mean	0.13	0.61	0.47	26.88	0.14	1.07	0.06	1.66	8.56
HOLDINTL_U	P50	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	P75	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	Mean	2.02	1.24	3.98	13.98	0.79	2.09	5.62	3.76	1.58
HOLDINDU_U	P50	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	P75	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	Mean	0.73	2.68	2.03	6.94	0.38	1.83	0.94	1.94	1.08
SUMHOLD_U	P50	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00
	P75	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00
	Mean	98.68	97.36	96.86	91.82	99.38	97.93	98.93	96.90	98.68
BLOCK5NR_U	P50	1.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00
	P75	2.00	3.00	3.00	3.00	3.00	3.00	2.00	3.00	3.00
	Mean	1.63	2.31	2.22	2.21	2.05	2.09	1.87	2.02	2.01
BLOCK10NR_U	P50	1.00	2.00	2.00	1.00	2.00	2.00	2.00	2.00	2.00
	P75	2.00	3.00	3.00	2.00	2.00	2.00	2.00	2.00	2.00
	Mean	1.50	1.96	1.90	1.75	1.88	1.84	1.71	1.75	1.82
BLOCK5SH_U	P50	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00
	P75	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00
	Mean	76.44	90.42	90.60	82.42	95.40	91.76	92.73	90.29	94.00
BLOCK10SH_U	P50	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00
	P75	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00
	Mean	75.33	87.69	88.07	78.98	93.98	89.80	91.45	88.21	92.43
INSHOLD_CEO	P50	50.00	50.00	50.00	33.00	50.00	50.00	50.00	50.00	50.00
	P75	100.00	83.67	86.00	65.00	100.00	100.00	100.00	100.00	100.00
	Mean	46.38	47.90	48.87	39.99	56.06	50.04	54.89	50.83	53.64
INSHOLD_BDEXCEO	P50	40.00	37.30	33.00	32.25	33.81	33.50	30.00	33.30	33.33
	P75	66.67	55.00	51.00	53.60	50.00	60.00	50.00	60.00	51.32
	Mean	40.41	36.81	34.46	34.48	33.96	35.84	33.17	35.54	34.50
INSHOLD_BD	P50	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00
	P75	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00
	Mean	84.21	83.48	82.04	72.52	89.09	84.86	86.94	85.38	87.23
	Mean	86.78	84.71	83.34	74.47	90.01	85.88	88.07	86.37	88.13

Table 7.S3. Corporate governance: Descriptive statistics for all firms by industry sector

		Industry sector								
		0	1	2	3	4	5	7	8	9
INSHOLD_LARGE1	P50	64.00	51.00	53.60	50.00	62.80	62.91	65.00	65.00	60.26
	P75	100.00	100.00	100.00	75.00	100.00	100.00	100.00	100.00	100.00
	Mean	67.56	60.82	61.87	52.59	67.22	65.59	68.60	66.98	66.58
INSHOLD_LARGE2	P50	0.00	13.00	10.00	9.88	10.00	3.16	0.00	0.00	9.00
	P75	32.40	33.33	33.00	30.00	34.00	33.00	33.33	33.10	34.00
	Mean	15.06	18.29	16.76	15.25	18.11	15.94	16.19	15.61	17.33
INSHOLD_LARGE3	P50	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	P75	0.00	0.00	0.00	1.00	0.00	0.00	0.00	0.00	0.00
	Mean	3.19	4.29	3.68	4.59	3.72	3.31	2.68	2.93	3.28
INSHOLD_LARGE4	P50	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	P75	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	Mean	0.73	1.10	0.80	1.32	0.76	0.81	0.50	0.62	0.76
INSHOLD_LARGE5	P50	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	P75	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	Mean	0.21	0.18	0.17	0.53	0.15	0.17	0.07	0.16	0.13
INSHOLD_TYPE1	P50	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	P75	0.00	17.48	21.00	0.00	9.00	0.00	0.00	0.00	17.61
	Mean	11.73	12.42	13.02	8.39	11.49	10.48	11.63	10.22	12.57
INSHOLD_TYPE2	P50	0.00	10.00	1.63	10.00	0.00	0.00	0.00	0.00	0.00
	P75	34.00	48.00	36.00	35.00	36.00	34.90	34.00	35.00	35.00
	Mean	18.39	21.97	19.41	20.45	18.90	18.28	17.06	18.26	18.37
INSHOLD_TYPE3	P50	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	P75	43.02	25.00	25.00	17.00	26.00	32.54	28.57	30.00	30.00
	Mean	22.01	14.84	15.05	14.03	15.06	17.56	16.12	17.27	16.13
INSHOLD_TYPE4	P50	0.00	0.00	0.00	0.00	50.00	20.00	39.00	25.00	32.86
	P75	66.67	66.00	67.00	65.00	100.00	84.00	100.00	96.00	98.00
	Mean	32.07	34.25	34.56	29.65	43.65	38.54	42.14	39.62	40.16
INSRANK_TYPE1	P50	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	P75	0.00	1.00	1.00	0.00	1.00	0.00	0.00	0.00	1.00
	Mean	0.37	0.42	0.46	0.38	0.40	0.36	0.37	0.34	0.40
INSRANK_TYPE2	P50	0.00	1.00	1.00	1.00	0.00	0.00	0.00	0.00	0.00
	P75	1.00	1.00	2.00	1.00	2.00	1.00	1.00	1.00	1.00
	Mean	0.64	0.81	0.79	0.83	0.75	0.71	0.69	0.71	0.73
INSRANK_TYPE3	P50	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	P75	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
	Mean	0.55	0.53	0.51	0.55	0.48	0.50	0.45	0.47	0.48
INSRANK_TYPE4	P50	0.00	0.00	0.00	0.00	1.00	1.00	1.00	1.00	1.00
	P75	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
	Mean	0.48	0.57	0.53	0.50	0.65	0.58	0.61	0.59	0.60
BD_TURN	P50	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	P75	0.00	0.00	0.00	0.20	0.00	0.00	0.00	0.00	0.00
	Mean	0.04	0.05	0.05	0.12	0.03	0.04	0.03	0.04	0.05
DISCHSAME	P50	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
	P75	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
	Mean	0.93	0.93	0.92	0.83	0.95	0.93	0.92	0.93	0.93
DISCEOSAME	P50	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
	P75	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
	Mean	0.95	0.95	0.94	0.89	0.96	0.94	0.95	0.94	0.95
BD_SIZE	P50	2.00	2.00	2.00	5.00	2.00	2.00	2.00	2.00	2.00
	P75	3.00	3.00	3.00	7.00	3.00	3.00	3.00	3.00	3.00
	Mean	2.21	2.55	2.63	4.71	2.04	2.27	2.09	2.38	2.45

Table 7.S3. Corporate governance: Descriptive statistics for all firms by industry sector

		Industry sector								
		0	1	2	3	4	5	7	8	9
BD_AVG_AGE	P50	45.67	48.00	50.33	50.83	47.00	48.75	49.00	50.00	47.67
	P75	52.67	54.00	56.00	54.20	53.33	55.00	56.00	56.00	54.00
	Mean	46.06	48.04	50.37	50.42	47.43	48.84	49.20	49.92	47.54
BD_AVG_AGE_M	P50	46.67	48.00	51.00	51.50	47.00	49.00	49.50	50.00	48.00
	P75	53.50	54.00	56.50	55.11	53.50	56.00	56.00	56.00	54.50
	Mean	46.94	48.22	50.73	51.04	47.50	49.40	49.67	50.15	48.01
BD_AVG_AGE_F	P50	41.50	47.00	48.00	46.42	48.00	46.00	48.00	49.00	47.00
	P75	50.00	55.00	56.00	52.00	55.50	54.00	56.00	56.00	54.50
	Mean	43.08	47.75	48.52	46.86	47.74	46.90	48.21	48.92	47.36
BD_SD_AGE	P50	7.07	8.59	7.94	7.72	6.51	6.43	6.93	8.17	7.18
	P75	12.74	14.15	13.20	10.01	12.97	12.02	13.44	13.80	12.37
	Mean	8.30	9.36	8.84	8.10	8.13	7.85	8.39	9.09	8.22
DBD_NR_FEM_EMPL	P50	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	P75	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	Mean	0.00	0.00	0.01	0.03	0.00	0.00	0.00	0.00	0.01
DCEOCHBD	P50	1.00	1.00	0.00	0.00	1.00	1.00	1.00	1.00	1.00
	P75	1.00	1.00	1.00	0.00	1.00	1.00	1.00	1.00	1.00
	Mean	0.51	0.51	0.47	0.17	0.64	0.56	0.58	0.53	0.51
DCEODIRECTOR	P50	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	P75	1.00	1.00	1.00	0.00	1.00	1.00	1.00	1.00	1.00
	Mean	0.31	0.32	0.32	0.21	0.27	0.26	0.27	0.25	0.26
BD_NR_EMPL_PERC	P50	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	P75	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	Mean	0.00	0.00	0.01	0.03	0.00	0.00	0.00	0.00	0.01
BD_NR_FEM_EMPL_PERC	P50	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	P75	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	Mean	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
BD_NR_FEM_STOCKH_PERC	P50	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	P75	0.00	0.00	0.17	0.17	0.00	0.33	0.33	0.00	0.33
	Mean	0.14	0.10	0.12	0.10	0.07	0.17	0.21	0.11	0.16
BD_NR_FEM_PERC	P50	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	P75	0.11	0.00	0.17	0.17	0.00	0.33	0.33	0.13	0.33
	Mean	0.14	0.10	0.12	0.10	0.07	0.17	0.21	0.12	0.16

This table presents the median (P50), the 75th percentile (P75), and the mean for governance variables by industry sector for the sample of all Norwegian firms with limited liability as defined in table 4.1. The sample period is 2000-2005, and the sample includes non-financial firms that pass basic accounting consistency tests, activity level tests, and that are not subsidiaries. The variables are defined in appendix 7.A1. The subscript "D" denotes direct (first level) ownership, while the subscript "U" denotes ultimate (all levels) ownership, i.e. the sum of direct ownership and indirect ownership through pyramids. The industry sector codes are 0: Missing; 1: Agriculture, forestry, fishing, mining; 2: Manufacturing, chemical products; 3: Energy; 4: Construction; 5: Service; 6 Financial (not in the sample); 7: Trade; 8: Transport; 9: Multisector.

Table 7.S4. Corporate governance: Descriptive statistics for all firms by firm size

		Decile									
		0	1	2	3	4	5	6	7	8	9
HOLDLARGE1_D	P50	75.00	66.00	66.00	66.00	65.00	62.50	60.00	60.00	59.60	66.00
	P75	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00
	Mean	72.96	71.21	71.31	69.91	68.83	67.48	66.38	65.20	64.80	67.93
HOLDLARGE2_D	P50	11.00	17.00	18.64	20.00	20.30	23.70	23.98	23.50	20.93	13.93
	P75	34.00	34.00	35.00	35.00	35.00	36.00	35.98	35.00	34.00	32.00
	Mean	17.49	19.19	19.77	21.08	21.23	21.91	22.02	21.92	21.11	16.92
HOLDLARGE3_D	P50	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	P75	5.26	6.66	4.73	6.66	10.00	10.00	12.00	14.28	14.49	11.74
	Mean	4.86	5.09	4.83	5.17	5.68	6.12	6.52	7.01	7.21	6.33
HOLDLARGE4_D	P50	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	P75	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.34
	Mean	1.77	1.78	1.67	1.63	1.88	2.08	2.33	2.60	2.74	2.72
HOLDLARGE5_D	P50	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	P75	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	Mean	0.67	0.65	0.58	0.55	0.61	0.67	0.81	0.98	1.15	1.24
HOLDLARGESUM2_D	P50	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00
	P75	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00
	Mean	90.44	90.40	91.08	90.99	90.06	89.38	88.41	87.12	85.92	84.85
HOLDLARGESUM3_D	P50	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00
	P75	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00
	Mean	95.31	95.49	95.91	96.16	95.74	95.50	94.93	94.14	93.12	91.18
HOLDLARGESUM4_D	P50	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00
	P75	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00
	Mean	97.07	97.27	97.58	97.79	97.62	97.58	97.25	96.74	95.86	93.90
HOLDLARGESUM5_D	P50	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00
	P75	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00
	Mean	97.74	97.92	98.16	98.35	98.23	98.25	98.06	97.72	97.01	95.13
HOLDLARGEOUTS_D	P50	34.00	34.00	34.00	34.00	34.00	34.00	34.00	34.00	34.00	47.18
	P75	51.00	50.00	50.00	50.00	50.00	50.00	50.00	50.00	57.00	100.00
	Mean	43.92	38.84	38.69	38.99	39.42	39.62	40.37	40.89	43.60	55.37
HOLDSMALLOUTS_D	P50	30.00	25.00	30.00	32.00	29.00	25.00	25.00	25.00	25.00	33.30
	P75	50.00	40.00	40.00	40.00	42.50	45.00	48.00	47.00	50.00	100.00
	Mean	38.16	33.53	33.77	34.12	34.31	34.30	34.67	34.52	36.76	47.27
HERFINDAHL_D	P50	0.61	0.55	0.55	0.55	0.54	0.52	0.50	0.50	0.50	0.53
	P75	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
	Mean	0.69	0.67	0.67	0.66	0.65	0.63	0.62	0.61	0.60	0.63
NROWNERS_D	P50	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00
	P75	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	4.00
	Mean	3.21	3.02	2.77	3.04	2.95	2.71	3.25	3.92	5.82	72.46
NROWNERSINS	P50	1.00	1.00	1.00	1.00	2.00	2.00	2.00	2.00	2.00	2.00
	P75	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00
	Mean	1.59	1.64	1.63	1.67	1.72	1.77	1.84	1.88	1.92	1.91

Table 7.S4. Corporate governance: Descriptive statistics for all firms by firm size

		Decile									
		0	1	2	3	4	5	6	7	8	9
HOLDMEAN_D	P50	50.00	50.00	50.00	50.00	50.00	50.00	50.00	50.00	50.00	50.00
	P75	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00
	Mean	65.55	63.46	63.56	62.21	61.09	59.42	57.81	56.13	55.40	58.06
HOLDMEDIAN_D	P50	50.00	50.00	50.00	50.00	50.00	50.00	50.00	50.00	50.00	50.00
	P75	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00
	Mean	64.61	62.53	62.64	61.33	60.15	58.52	56.80	55.09	54.33	56.98
HOLDUNSP_D	P50	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	P75	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	Mean	7.04	6.59	6.10	6.03	6.08	6.41	6.54	7.66	9.13	11.14
HOLDINST_D	P50	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	P75	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	Mean	0.29	0.24	0.20	0.25	0.23	0.28	0.33	0.31	0.37	0.94
HOLDPERS_D	P50	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	79.18
	P75	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00
	Mean	84.77	87.30	88.20	88.11	87.39	86.71	85.05	82.47	77.34	57.52
HOLDSTAT_D	P50	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	P75	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	Mean	0.43	0.48	0.58	0.64	0.68	0.88	1.24	1.23	1.16	2.56
HOLDINTL_D	P50	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	P75	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	Mean	1.87	0.96	0.89	0.91	1.23	1.35	1.85	2.67	4.65	15.94
HOLDINDU_D	P50	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	P75	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	Mean	4.15	3.09	2.81	3.00	3.20	3.19	3.77	4.34	5.62	9.33
SUMHOLD_D	P50	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00
	P75	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00
	Mean	98.60	98.70	98.82	98.96	98.84	98.86	98.81	98.71	98.33	97.47
BLOCK5NR_D	P50	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00
	P75	3.00	3.00	2.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00
	Mean	2.03	2.07	2.04	2.07	2.13	2.18	2.27	2.37	2.44	2.38
BLOCK10NR_D	P50	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00
	P75	2.00	2.00	2.00	2.00	2.00	2.00	3.00	3.00	3.00	3.00
	Mean	1.80	1.86	1.85	1.89	1.93	1.98	2.03	2.08	2.09	1.96
BLOCK5SH_D	P50	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00
	P75	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00
	Mean	97.99	98.16	98.33	98.51	98.41	98.36	98.27	98.05	97.48	95.55
BLOCK10SH_D	P50	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00
	P75	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00
	Mean	96.15	96.44	96.78	97.00	96.79	96.70	96.34	95.72	94.64	92.29
TYPELARGE1_D	P50	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00
	P75	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	4.00
	Mean	2.05	2.00	2.01	2.02	2.03	2.03	2.06	2.07	2.12	2.44

Table 7.S4. Corporate governance: Descriptive statistics for all firms by firm size

		Decile									
		0	1	2	3	4	5	6	7	8	9
HOLDLARGE1_U	P50	78.15	66.00	66.00	66.00	65.00	64.00	60.00	60.00	60.00	66.66
	P75	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00
	Mean	73.72	71.97	71.88	70.44	69.32	67.97	66.84	65.77	65.41	68.81
HOLDLARGE2_U	P50	0.00	10.00	14.00	18.00	20.00	20.00	20.00	20.00	20.00	9.50
	P75	33.30	34.00	34.00	35.00	35.00	35.00	35.00	34.00	34.00	28.00
	Mean	15.35	17.37	18.32	19.64	19.97	20.64	20.85	20.61	19.70	14.98
HOLDLARGE3_U	P50	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	P75	0.00	0.00	0.00	2.00	7.23	10.00	10.00	12.00	12.50	10.00
	Mean	4.10	4.44	4.34	4.68	5.20	5.61	6.09	6.51	6.64	5.61
HOLDLARGE4_U	P50	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	P75	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	Mean	1.48	1.52	1.48	1.45	1.70	1.89	2.15	2.41	2.55	2.41
HOLDLARGE5_U	P50	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	P75	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	Mean	0.55	0.55	0.51	0.51	0.56	0.62	0.75	0.89	1.05	1.08
HOLDLARGESUM2_U	P50	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00
	P75	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00
	Mean	90.80	90.80	91.38	91.21	90.27	89.58	88.52	87.26	85.97	84.71
HOLDLARGESUM3_U	P50	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00
	P75	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00
	Mean	95.36	95.62	96.00	96.15	95.73	95.46	94.85	94.04	92.90	90.67
HOLDLARGESUM4_U	P50	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00
	P75	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00
	Mean	97.00	97.26	97.57	97.69	97.50	97.43	97.09	96.56	95.57	93.23
HOLDLARGESUM5_U	P50	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00
	P75	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00
	Mean	97.62	97.86	98.11	98.23	98.09	98.08	97.87	97.49	96.67	94.38
HOLDLARGEOUTS_U	P50	35.00	34.00	34.00	34.00	34.00	34.00	34.00	34.00	34.00	50.00
	P75	65.00	50.00	50.00	50.00	50.00	50.00	50.01	52.64	66.66	100.00
	Mean	45.49	41.31	40.58	40.58	41.00	41.08	41.49	42.05	44.39	56.23
HERFINDAHL_U	P50	0.65	0.55	0.55	0.55	0.54	0.52	0.51	0.50	0.50	0.55
	P75	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
	Mean	0.70	0.68	0.68	0.66	0.65	0.64	0.62	0.61	0.60	0.63
NROWNERS_U	P50	1.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00
	P75	2.00	2.00	2.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00
	Mean	2.15	2.21	2.18	2.23	2.30	2.37	2.50	2.65	2.81	2.97
HOLDMEAN_U	P50	50.00	50.00	50.00	50.00	50.00	50.00	50.00	50.00	50.00	50.00
	P75	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00
	Mean	65.76	63.74	63.73	62.34	61.18	59.51	57.83	56.14	55.33	58.54
HOLDMEDIAN_U	P50	50.00	50.00	50.00	50.00	50.00	50.00	50.00	50.00	50.00	50.00
	P75	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00
	Mean	64.69	62.71	62.73	61.36	60.16	58.53	56.72	54.99	54.09	57.19

Table 7.S4. Corporate governance: Descriptive statistics for all firms by firm size

		Decile									
		0	1	2	3	4	5	6	7	8	9
HOLDUNSP_U	P50	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	P75	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	5.01
	Mean	7.21	6.68	6.18	6.13	6.18	6.49	6.69	7.76	9.23	11.63
HOLDINST_U	P50	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	P75	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	Mean	0.14	0.12	0.12	0.16	0.14	0.18	0.22	0.20	0.21	0.42
HOLDPERS_U	P50	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	82.25
	P75	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00
	Mean	78.07	82.10	84.31	84.84	84.90	84.53	83.70	81.41	77.08	57.74
HOLDSTAT_U	P50	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	P75	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	Mean	0.47	0.50	0.61	0.68	0.71	0.92	1.28	1.28	1.24	2.62
HOLDINTL_U	P50	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	P75	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	Mean	1.61	0.85	0.84	0.85	1.17	1.28	1.79	2.59	4.48	15.04
HOLDINDU_U	P50	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	P75	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	Mean	1.56	1.03	1.00	1.03	1.19	1.11	1.31	1.44	1.86	3.41
SUMHOLD_U	P50	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00
	P75	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00
	Mean	98.23	98.44	98.63	98.74	98.64	98.64	98.52	98.36	97.81	95.71
BLOCK5NR_U	P50	1.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00
	P75	2.00	2.00	2.00	2.00	3.00	3.00	3.00	3.00	3.00	3.00
	Mean	1.78	1.86	1.88	1.93	2.01	2.06	2.15	2.24	2.30	2.17
BLOCK10NR_U	P50	1.00	1.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	1.00
	P75	2.00	2.00	2.00	2.00	2.00	2.00	2.00	3.00	3.00	2.00
	Mean	1.59	1.69	1.72	1.76	1.82	1.87	1.93	1.97	1.98	1.80
BLOCK5SH_U	P50	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00
	P75	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00
	Mean	87.83	90.27	92.25	92.91	93.56	93.73	94.18	93.69	92.87	89.08
BLOCK10SH_U	P50	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00
	P75	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00
	Mean	86.34	88.85	90.91	91.54	92.07	92.19	92.43	91.55	90.26	86.21
INSHOLD_CEO	P50	50.00	51.00	56.00	51.00	50.00	50.00	50.00	50.00	50.00	40.00
	P75	100.00	100.00	100.00	100.00	100.00	100.00	90.00	80.00	75.21	77.45
	Mean	52.35	54.10	55.65	55.22	53.94	52.68	50.92	49.38	47.24	44.48
INSHOLD_BDEXCEO	P50	26.00	28.59	28.48	33.00	33.33	34.00	34.00	34.00	34.35	31.25
	P75	63.33	54.25	50.00	50.00	50.00	51.00	55.30	57.50	60.00	56.00
	Mean	35.24	34.01	32.95	33.48	34.33	35.20	36.26	36.13	36.47	34.80
INSHOLD_BD	P50	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	99.99
	P75	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00
	Mean	86.47	87.05	87.79	87.87	87.31	86.88	86.16	84.32	82.41	77.67
INSHOLD_ALL	P50	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00
	P75	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00
	Mean	87.59	88.10	88.60	88.70	88.26	87.88	87.18	85.50	83.71	79.28

Table 7.S4. Corporate governance: Descriptive statistics for all firms by firm size
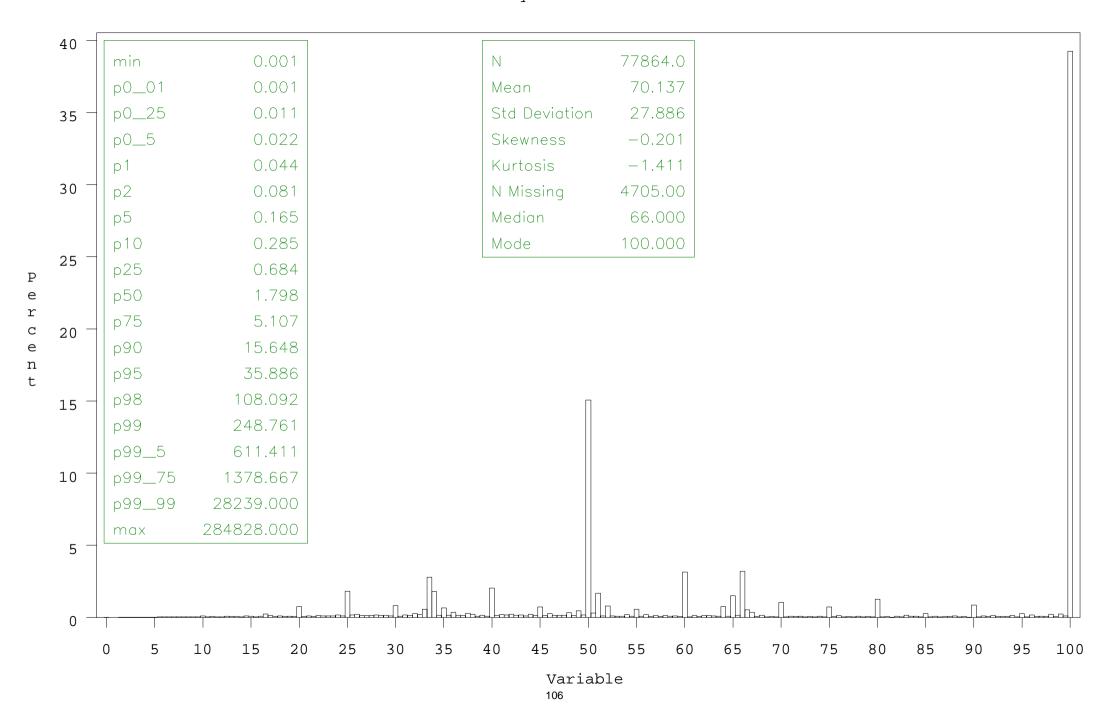
		Decile									
		0	1	2	3	4	5	6	7	8	9
INSHOLD_LARGE1	P50	67.65	66.00	66.00	65.00	64.00	60.00	59.20	53.00	51.00	51.00
	P75	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00
	Mean	71.46	70.22	70.42	68.80	67.35	65.64	63.98	62.17	60.47	58.95
INSHOLD_LARGE2	P50	0.00	0.00	0.00	0.00	5.00	10.00	14.00	13.57	13.20	9.00
	P75	27.77	33.00	33.33	34.00	33.50	34.00	34.00	33.33	33.30	29.00
	Mean	13.11	14.62	15.08	16.51	17.06	17.92	18.30	18.04	17.65	15.13
INSHOLD_LARGE3	P50	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	P75	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	Mean	2.32	2.55	2.43	2.74	3.10	3.42	3.82	4.09	4.27	3.89
INSHOLD_LARGE4	P50	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	P75	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	Mean	0.55	0.57	0.53	0.54	0.62	0.73	0.85	0.96	1.01	0.98
INSHOLD_LARGE5	P50	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	P75	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	Mean	0.11	0.11	0.10	0.08	0.10	0.13	0.18	0.20	0.22	0.24
INSHOLD_TYPE1	P50	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	P75	0.00	0.00	0.00	0.00	0.00	13.85	20.00	22.00	25.00	25.00
	Mean	7.96	8.47	9.00	10.17	11.03	11.95	12.45	12.98	14.10	14.86
INSHOLD_TYPE2	P50	0.00	0.00	0.00	0.00	0.00	0.00	0.00	4.00	8.00	5.65
	P75	33.33	34.00	34.00	34.00	34.00	35.00	38.00	40.00	40.00	36.80
	Mean	15.75	16.68	16.54	17.09	17.53	18.60	19.61	20.35	20.74	20.19
INSHOLD_TYPE3	P50	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	P75	33.33	30.00	25.00	30.00	32.50	33.00	33.00	28.57	27.37	20.83
	Mean	19.50	17.32	16.41	16.39	16.80	16.61	16.65	15.78	15.73	14.61
INSHOLD_TYPE4	P50	37.50	50.00	50.00	50.00	40.00	33.00	20.00	0.00	0.00	0.00
	P75	100.00	100.00	100.00	100.00	100.00	90.00	75.00	66.00	65.07	60.00
	Mean	43.27	44.58	45.84	44.22	41.95	39.72	37.45	35.21	31.83	28.01
INSRANK_TYPE1	P50	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	P75	0.00	0.00	0.00	0.00	0.00	1.00	1.00	1.00	1.00	1.00
	Mean	0.26	0.27	0.28	0.33	0.36	0.40	0.44	0.46	0.50	0.51
INSRANK_TYPE2	P50	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1.00	1.00	1.00
	P75	1.00	1.00	1.00	1.00	1.00	2.00	2.00	2.00	2.00	1.00
	Mean	0.60	0.66	0.65	0.68	0.70	0.74	0.78	0.81	0.83	0.80
INSRANK_TYPE3	P50	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	P75	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
	Mean	0.46	0.44	0.43	0.45	0.48	0.51	0.53	0.53	0.54	0.51
INSRANK_TYPE4	P50	1.00	1.00	1.00	1.00	1.00	1.00	1.00	0.00	0.00	0.00
	P75	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
	Mean	0.60	0.64	0.65	0.64	0.62	0.60	0.59	0.56	0.51	0.42
BD_TURN	P50	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	P75	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	Mean	0.04	0.03	0.03	0.03	0.03	0.04	0.04	0.04	0.05	0.07
DISCHSAME	P50	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
	P75	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
	Mean	0.93	0.94	0.95	0.95	0.94	0.94	0.93	0.93	0.91	0.86
DISCEOSAME	P50	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
	P75	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
	Mean	0.94	0.96	0.96	0.96	0.95	0.95	0.95	0.94	0.93	0.91
BD_SIZE	P50	1.00	1.00	1.00	2.00	2.00	2.00	2.00	2.00	3.00	3.00
	P75	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	4.00
	Mean	1.92	1.92	1.91	1.96	2.03	2.14	2.26	2.40	2.64	3.43

Table 7.S4. Corporate governance: Descriptive statistics for all firms by firm size

		Decile									
		0	1	2	3	4	5	6	7	8	9
BD_AVG_AGE	P50	50.00	49.67	49.00	48.00	48.00	48.00	48.00	48.50	49.00	49.67
	P75	57.00	57.00	56.00	55.00	54.67	54.50	54.33	54.33	54.25	54.50
	Mean	49.98	49.78	49.02	48.41	48.17	48.17	48.34	48.63	48.91	49.47
BD_AVG_AGE_M	P50	50.00	50.00	49.75	49.00	48.50	48.50	48.50	49.00	49.00	50.00
	P75	57.00	57.50	57.00	56.00	55.00	55.00	55.00	55.00	55.00	55.00
	Mean	50.39	50.28	49.61	48.95	48.63	48.57	48.72	48.87	49.24	49.93
BD_AVG_AGE_F	P50	48.00	48.00	47.00	46.00	46.00	46.50	47.00	48.00	48.00	47.00
	P75	56.50	56.00	55.00	54.00	54.00	54.00	55.00	55.00	55.00	54.00
	Mean	48.25	48.26	47.43	46.93	46.80	47.00	47.35	48.05	47.97	47.35
BD_SD_AGE	P50	6.36	6.36	6.18	6.18	6.36	6.43	6.86	7.07	7.37	8.04
	P75	13.00	13.18	13.00	12.66	12.81	12.73	13.00	12.79	12.73	12.19
	Mean	8.07	8.14	7.99	7.86	8.05	8.02	8.29	8.36	8.43	8.67
DBD_NR_FEM_EMPL	P50	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	P75	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	Mean	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.02
DCEOCHBD	P50	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	0.00	0.00
	P75	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
	Mean	0.65	0.67	0.67	0.64	0.61	0.57	0.54	0.51	0.44	0.29
DCEODIRECTOR	P50	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	P75	0.00	0.00	0.00	0.00	0.00	1.00	1.00	1.00	1.00	1.00
	Mean	0.20	0.20	0.20	0.22	0.25	0.27	0.29	0.31	0.35	0.37
BD_NR_EMPL_PERC	P50	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	P75	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	Mean	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.02
BD_NR_FEM_EMPL_PERC	P50	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	P75	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	Mean	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
BD_NR_FEM_STOCKH_PERC	P50	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	P75	0.25	0.33	0.33	0.33	0.33	0.33	0.33	0.25	0.20	0.17
	Mean	0.16	0.18	0.19	0.19	0.19	0.18	0.16	0.14	0.12	0.10
BD_NR_FEM_PERC	P50	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	P75	0.25	0.33	0.33	0.33	0.33	0.33	0.33	0.25	0.20	0.17
	Mean	0.16	0.18	0.19	0.19	0.19	0.18	0.16	0.14	0.12	0.10

This table presents the pooled median (P50), 75th percentile (P75), and the mean for governance variables by firm size as measured by sales. The sample is all Norwegian firms with limited liability over the period 2000-2005 as defined in table 4.1, and includes non-financial firms that pass basic accounting consistency tests, activity level tests, and that are not subsidiaries. The variables are defined in appendix 7.A1. The subscript "D" denotes direct (first level) ownership, while the subscript "U" denotes ultimate (all levels) ownership, i.e. the sum of direct ownership and indirect ownership through pyramids.

Figure 7.1.1.1. The holding of the largest owner of a Norwegian firm with limited liability
yr=2005

min	0.001
p0_01	0.001
p0_25	0.011
p0_5	0.022
p1	0.044
p2	0.081
p5	0.165
p10	0.285
p25	0.684
p50	1.798
p75	5.107
p90	15.648
p95	35.886
p98	108.092
p99	248.761
p99_5	611.411
p99_75	1378.667
p99_99	28239.000
max	284828.000

N	77864.0
Mean	70.137
Std Deviation	27.886
Skewness	−0.201
Kurtosis	−1.411
N Missing	4705.00
Median	66.000
Mode	100.000

This figure shows the histogram for the largest ownership fraction in 2005. The sample consists of all listed and nonlisted limited liability nonfinancial firms that are not subsidiaries and that pass basic accounting consistency and activity filters. Table 4.1 specifies these filters one by one. The two insets present moments and percentiles of the frequency distribution, and the bin size is 0.5%.

Table 7.1.1.1. Determinants of ownership concentration

Variable	All firms		Large firms	
	No owner restriction	Multiple owner	No owner restriction	Multiple owner
Intercept	0.518 (0.000)	0.308 (0.000)	0.487 (0.000)	0.300 (0.000)
Listed	-0.197 (0.000)	-0.108 (0.000)	-0.222 (0.000)	-0.117 (0.000)
Nonlisted	0.197 (0.000)	0.108 (0.000)	0.222 (0.000)	0.117 (0.000)
Size	-0.017 (0.000)	-0.007 (0.000)		
Size in millions			-0.016 (0.000)	-0.009 (0.003)
Age	0.011 (0.000)	0.010 (0.000)	-0.022 (0.000)	-0.003 (0.148)
Largest owner is unspecified	-0.027 (0.000)	0.010 (0.000)	0.005 (0.377)	0.028 (0.000)
Largest owner is institutional	-0.162 (0.000)	-0.107 (0.000)	-0.164 (0.000)	-0.139 (0.000)
Largest owner is a person	0.037 (0.000)	0.073 (0.000)	-0.034 (0.000)	0.040 (0.000)
Largest owner is state	0.012 (0.001)	-0.011 (0.000)	-0.009 (0.354)	-0.017 (0.037)
Largest owner is foreign	0.296 (0.000)	0.106 (0.000)	0.312 (0.000)	0.149 (0.000)
Largest owner is industrial	-0.155 (0.000)	-0.071 (0.000)	-0.111 (0.000)	-0.060 (0.000)
R^2	0.068	0.078	0.291	0.149
n	464,250	296,982	23,629	13,741

This table examines how firm and owner characteristics relate to ownership concentration. The sample in the "All firms" panel includes all non-financial firms that pass basic accounting consistency tests, activity level tests, and that are not subsidiaries of another firm. Table 4.1 provides details of the data filtering process. The sample in the "Large firms" panel are chosen according to the same filters. Large nonlisted firms rank in the top 5% of sales among the nonlisted firms for that year, while large listed firms rank in the top 90% of sales for that year among all listed firms. The "Multiple owner" sample excludes all single owner firms, which are firms with one owner or where the largest owner holds at least 99% of the shares. The "No ownership restriction" sample includes both multiple owner and single owner firms.

The dependent variable is the Herfindahl index of all owners, including the owners reported by VPS, which is the alternative data source for the owners of shares in ASA firms. "Size" is the natural logarithm of inflation adjusted sales in thousands. For large firms the logarithm is taken from the sales in millions of NOK. "Age" is the natural logarithm of the age to date for the firm (zero for very young firms). If age is missing, the founding year is the year the firm entered the sample. If a firm starts at the beginning of our database (1994) but has not indicated the founding year, we use 1983 as the founding year, which is the average founding year for firms in 2000 (the first year of our ownership structure data).

The largest owner type is either unspecified, institutional, a person, state, foreign, or industrial. We control for industry membership as specified in Appendix 4.A2. All variables are contemporaneous, and the sales variable is winsorized at the 1% tails. We run OLS regressions and control for fixed industry effects (unreported) and fixed time effects (unreported). The sum of the two listing status coefficients, the five owner type coefficients, the ten industry coefficients, and the six year coefficients are all restricted to be zero. The sample period is 2000-2005. P-values are in parentheses.

Table 7.1.3.1. Determinants of insider ownership in nonlisted firms

Panel A. Size and age

Variable	All firms				Large firms			
	No owner restriction		Multiple owner		No owner restriction		Multiple owner	
Intercept	95.47	(0.000)	87.60	(0.000)	105.85	(0.000)	93.23	(0.000)
Size	-1.12	(0.000)	-0.75	(0.000)				
Size in millions					-7.31	(0.000)	-6.44	(0.000)
Age	-0.70	(0.000)	-1.44	(0.000)	-0.34	(0.251)	0.68	(0.050)
R^2	0.02		0.02		0.05		0.04	
n	406,287		266,538		12,377		9,207	

Panel B. Size, age, and the identity of the largest owner

Variable	All firms				Large firms			
	No owner restriction		Multiple owner		No owner restriction		Multiple owner	
Intercept	48.65	(0.000)	46.14	(0.000)	55.12	(0.000)	51.05	(0.000)
Size	-0.62	(0.000)	-0.22	(0.000)				
Size in millions					-3.73	(0.000)	-3.19	(0.000)
Age	-1.05	(0.000)	-1.86	(0.000)	-1.38	(0.000)	-0.92	(0.001)
Largest owner is unspecified	-5.69	(0.000)	-4.65	(0.000)	-7.34	(0.000)	-5.93	(0.000)
Largest owner is a person	47.43	(0.000)	43.08	(0.000)	47.58	(0.000)	42.76	(0.000)
Largest owner is state	-22.24	(0.000)	-20.46	(0.000)	-19.51	(0.000)	-19.22	(0.000)
Largest owner is foreign	-12.30	(0.000)	-11.49	(0.000)	-13.87	(0.000)	-11.60	(0.000)
Largest owner is industrial	-7.21	(0.000)	-6.48	(0.000)	-6.86	(0.000)	-6.00	(0.000)
R^2	0.314		0.303		0.451		0.422	
n	406,287		266,538		12,377		9,207	

This table examines firm and owner characteristics that relate to the insider concentration in nonlisted firms with limited liability. The sample includes all non-financial nonlisted firms that pass basic accounting consistency tests, activity level tests, and that are not subsidiaries of another firm. Table 4.1 provides details of the data filtering process. Large nonlisted firms rank in the top 5% of sales for that year. The "Multiple owner" sample excludes all single owner firms, where there is just one owner or the largest owner holds at least 99% of the shares.

The dependent variable is the aggregate equity holdings by the firm's insiders. "Size" is the natural logarithm of inflation adjusted sales. For large firms the logarithm is taken from the sales in millions of NOK. "Age" is the natural logarithm of the age to date for the firm (zero for very young firms). If age is missing, the founding year is the year the firm entered the sample. If a firm starts at the beginning of our database (1994) but has not indicated the founding year, we use 1983 as the founding year (the average founding year for firms in 2000), which is the first year for our ownership structure data. The sales variable is winsorized at the 1% tails.

The largest owner type is either unspecified (this includes institutional owners, which is a very small group in nonlisted firms), a person, state, foreign, or industrial. We group all firms into ten industry sectors based on the firm's NAIC code for that year as specified in Appendix 4.A2.

All variables are contemporaneous. We run OLS regressions and control for fixed industry effects and fixed time effects (unreported). Panel B adds dummies for the largest owner type. The sums of the coefficients for the owner type dummies, for the industry sector dummies, and for the year dummies are all restricted to be zero. The sample is for the years 2000-2005. P-values are in parentheses.

Table 7.2.1: Determinants of board size

Variable	All firms				Large firms			
	All		Multiple owner		All		Multiple owner	
Intercept	2.99	(0.000)	3.78	(0.000)	0.54	(0.000)	2.89	(0.000)
Firm size	0.17	(0.000)	0.17	(0.000)				
Size in millions					0.90	(0.000)	0.62	(0.000)
Ownership concentration	-1.90	(0.000)	-3.62	(0.000)	-1.35	(0.000)	-2.89	(0.000)
Firm age	0.09	(0.000)	0.07	(0.000)	0.10	(0.000)	0.09	(0.000)
Board turnover	1.62	(0.000)	1.12	(0.000)	1.96	(0.000)	1.41	(0.000)
Director average age	-0.01	(0.000)	-0.01	(0.000)	-0.00	(0.536)	-0.01	(0.000)
Employee directors	8.56	(0.000)	7.52	(0.000)	5.01	(0.000)	5.29	(0.000)
Female directors	0.35	(0.000)	0.33	(0.000)	1.04	(0.000)	1.03	(0.000)
Nonlisted	-0.65	(0.000)	-0.53	(0.000)	-0.30	(0.000)	-0.25	(0.000)
Listed	0.65	(0.000)	0.53	(0.000)	0.30	(0.000)	0.25	(0.000)
R^2	0.35	(0.000)	0.33	(0.000)	0.41	(0.000)	0.40	(0.000)
n	343,388	(0.000)	218,066	(0.000)	17,188	(0.000)	10,473	(0.000)

This table examines factors that relate to the board size in firms with limited liability firms that pass our sample selection process described in table 4.1. The sample consists of all non-financial firms that pass basic accounting consistency tests, activity tests, and that are not subsidiaries of another firm. Large nonlisted firms are firms that rank in the top 5% of sales for that year, and large listed firms are those above the 10% decile. The "Multiple owner" sample excludes single owner firms, which are firms with one owner or where the largest owner holds at least 99% of the shares. The "No owner restriction" sample includes both multiple owner and single owner firms.

Board size (the dependent variable) is the number of directors. "Size in millions" is the natural logarithm of inflation adjusted sales, winsorized at 1% tails. For large firms the logarithm is taken from the sales in millions of NOK. "Firm age" is the natural logarithm of the age to date for the firm (zero for very young firms). If the age is missing, the founding year is the year the firm entered our sample. If a firm starts at the beginning of our database (1994) but has not indicated the founding year, we use 1983, which is the average founding year for firms in 2000 (first year of governance data).

"Board turnover" accounts for the director turnover in that year excluding employee directors. "Board age" is the mean age for all directors. "Female directors" is the percentage of non-employee women directors on the board. "Employee directors" is the percentage of employee directors. "Nonlisted firm" and "Listed firm" are dummy variables indicating firm type. All variables are contemporaneous. We run OLS regressions and control for unreported fixed industry effects (see Appendix 4.A2 for definitions). The sum of the two listing status coefficients as well as the sum of the ten industry sector coefficients are restricted to be zero. The sample is pooled across the sample years 2000-2005. P-values are in parentheses.

Table 7.3.1. Return on assets by listing status and governance characteristics

A. Return on assets (ROA)

	n	mean	std	skew.	kurt.	p0	p5	p25	p50	p75	p95	p100
Nonlisted	82,435	0.08	14.94	246.33	67,914	-847.44	-0.40		0.07	0.18	0.43	4,085
Listed	134	0.05	0.17	-3.99	33	-1.35	-0.16	0.01	0.05	0.12	0.23	0.65
Large nonlisted	4,122	0.11	0.32	36.97	1,783	-1.99	-0.05	0.04	0.08	0.14	0.31	16.76

B. Median ROA by Largest owner

	n	.	0	1	2	3	4	5	6	7	8	9	-1
Nonlisted	82,435	0.028	0.060	0.069	0.069	0.062			0.071	0.083	0.091	0.070	0.071
Listed	134		0.041	0.097	0.026	0.034	0.031	0.060	0.049	0.098	0.066	0.079	
Large nonlisted	4,122	0.080	0.080	0.090	0.091	0.082	0.080	0.081	0.093	0.069	0.084	0.078	0.074

C. Median ROA by Herfindahl index

	n	.	0	1	2	3	4	5	6	7	8	9	-1
Nonlisted	82,435	0.030	0.054	0.070	0.073	0.067	0.080		0.072	0.096	0.072		0.071
Listed	134		0.032	0.041	0.100	0.013	0.017	0.075	0.097	0.057	0.074	0.071	
Large nonlisted	4,122	0.080	0.078	0.090	0.074	0.092	0.093	0.077	0.084	0.091	0.081	0.078	0.074

D. Median ROA by Inside owners

	n	.	0	1	2	3	4	5	6	7	8	9	-1
Nonlisted	82,435	0.060	0.062	0.070	0.062	0.065	0.073	0.087	0.088	0.065	0.068	0.067	0.073
Large nonlisted	4,122	0.076	0.077	0.083	0.084	0.093	0.067	0.087	0.089	0.096	0.070	0.081	0.092

E. Median ROA by Board size

	n	.	0	1	2	3	4	5	6	7	8	9	-1
Nonlisted	82,435	0.038							0.065		0.052	0.044	0.073
Listed	134		0.013			0.076		0.040	0.036		0.052	0.078	0.061
Large nonlisted	4,122					0.080			0.075	0.058	0.054	0.052	0.093

F. Median ROA by Type of largest owner

	.	type0	type1	type2	type3	type4	type5
Nonlisted	82,435	0.019	0.087	0.039	0.073	0.040	0.060	0.044
Listed	134		0.041	0.025	0.111	0.041	0.055	
Large nonlisted	4,122	0.068	0.095	0.080	0.084	0.046	0.071	0.071

This table shows the return on assets (ROA) by governance characteristics and listing status. Panel A presents the univariate statistics for the ROA. Panels B-E split the sample based on firm rank according to a specific governance variable into deciles and reports the median ROA in each decile. For ""Largest owner", "Herfindahl index", "Inside owners", and "Board size" the lowest (highest) values belong to the decile 0 (9). We assign the firms with one owner or firms with all shares held by insiders to the category -1. Companies with missing information for that variable are in the"." category . "Large nonlisted" firms rank among the top 5% of nonlisted by sales. For the "Largest owner" and the "Herfindahl index", firms with one owner or the largest owner holding at least 99% of shares belong to the column "-1". For "Board size", all firms with one, two, or three directors are assigned to the column "-1". Empty cells represent deciles which cannot be meaningfully separated from the decile to the right because the ownership characteristic in question has the same value in both deciles. "Herfindahl index" is the sum of squared equity fractions in the firm.

Panel F reports median ROA for various largest owner types. The column headings 0 - 5 represent unidentified, institutional, personal, state, foreign, and industrial owners, respectively. Our sample consists of non-financial firms in 2005 that pass basic accounting consistency tests, activity level tests, and that are not subsidiaries of another firm (see table 4.1). The ROA is winsorized at the 5%/95% tails except in panel A, which represents the full ROA distribution.

Table 7.3.2: Performance, governance, and listing status

Panel A. With largest owner type

	All firms		Large firms		Small firms	
Variable	Unrestricted	Multiple owner	Unrestricted	Multiple owner	Unrestricted	Multiple owner
Intercept	-0.057 (0.000)	-0.045 (0.000)	0.074 (0.000)	0.090 (0.000)	-0.063 (0.000)	-0.052 (0.000)
Ownership concentration	0.001 (0.000)	0.000 (0.000)	0.000 (0.013)	0.001 (0.003)	0.001 (0.000)	0.000 (0.000)
Ownership concentration squared	-0.000 (0.000)	-0.000 (0.000)	-0.000 (0.002)	-0.000 (0.000)	-0.000 (0.000)	-0.000 (0.000)
Largest owner is unspecified	-0.003 (0.008)	-0.003 (0.084)	-0.001 (0.811)	-0.007 (0.022)	-0.003 (0.023)	-0.002 (0.226)
Largest owner is a person	0.012 (0.000)	0.011 (0.000)	0.007 (0.000)	0.002 (0.369)	0.013 (0.000)	0.012 (0.000)
Largest owner is state	0.007 (0.002)	0.004 (0.234)	-0.002 (0.534)	0.005 (0.263)	0.010 (0.000)	0.004 (0.246)
Largest owner is foreign	-0.009 (0.000)	-0.003 (0.244)	-0.003 (0.189)	0.005 (0.158)	-0.013 (0.000)	-0.005 (0.090)
Largest owner is industrial	-0.007 (0.000)	-0.009 (0.000)	-0.002 (0.504)	-0.006 (0.031)	-0.007 (0.000)	-0.009 (0.000)
Board size	-0.005 (0.000)	-0.007 (0.000)	-0.003 (0.000)	-0.004 (0.000)	-0.005 (0.000)	-0.007 (0.000)
CEO is director	0.002 (0.008)	0.003 (0.000)	0.011 (0.000)	0.013 (0.000)	0.002 (0.061)	0.003 (0.003)
Female stockholder directors	-0.006 (0.000)	-0.006 (0.000)	-0.001 (0.773)	-0.001 (0.897)	-0.006 (0.000)	-0.006 (0.000)
Employee directors	-0.019 (0.115)	-0.028 (0.092)	-0.014 (0.143)	-0.029 (0.030)	-0.035 (0.127)	-0.028 (0.309)
Leverage	0.002 (0.000)	0.003 (0.000)	-0.006 (0.006)	-0.000 (0.960)	0.003 (0.000)	0.003 (0.000)
Dividend payout	0.053 (0.000)	0.052 (0.000)	0.035 (0.000)	0.031 (0.000)	0.054 (0.000)	0.054 (0.000)
Size	0.008 (0.000)	0.008 (0.000)				
Size in millions			-0.003 (0.000)	-0.005 (0.000)		
Age	0.009 (0.000)	0.007 (0.000)	-0.000 (0.686)	-0.001 (0.381)	0.010 (0.000)	0.007 (0.000)
R^2	0.054	0.059	0.069	0.077	0.055	0.060
n	355,753	213,988	18,804	10,380	336,949	203,608

Panel B. With insider holdings and listing status

	All firms		Large firms		Small firms	
Variable	Unrestricted	Multiple owner	Unrestricted	Multiple owner	Unrestricted	Multiple owner
Intercept	-0.083 (0.000)	-0.076 (0.000)	0.089 (0.000)	0.095 (0.000)	-0.050 (0.000)	-0.044 (0.000)
Ownership concentration	0.000 (0.000)	0.000 (0.019)	0.000 (0.945)	0.000 (0.766)	0.001 (0.000)	0.000 (0.010)
Ownership concentration squared	-0.000 (0.000)	-0.000 (0.007)	-0.000 (0.466)	-0.000 (0.295)	-0.000 (0.000)	-0.000 (0.003)
Insider ownership	0.000 (0.000)	0.000 (0.000)	0.000 (0.646)	0.000 (0.761)	0.000 (0.000)	0.000 (0.000)
Insider ownership squared	-0.000 (0.000)	-0.000 (0.000)	-0.000 (0.926)	-0.000 (0.903)	-0.000 (0.000)	-0.000 (0.000)
Board size	-0.004 (0.000)	-0.005 (0.000)	-0.001 (0.251)	-0.002 (0.041)	-0.004 (0.000)	-0.006 (0.000)
CEO is director	-0.002 (0.075)	-0.000 (0.803)	0.005 (0.016)	0.008 (0.001)	-0.002 (0.052)	-0.001 (0.577)
Female stockholder directors	-0.006 (0.000)	-0.007 (0.000)	-0.006 (0.171)	-0.009 (0.115)	-0.006 (0.000)	-0.007 (0.000)
Employee directors	-0.048 (0.034)	-0.051 (0.036)	-0.065 (0.000)	-0.066 (0.001)	-0.033 (0.308)	-0.038 (0.278)
Leverage	0.004 (0.000)	0.003 (0.000)	-0.003 (0.248)	-0.001 (0.656)	0.004 (0.000)	0.004 (0.000)
Dividend payout	0.050 (0.000)	0.051 (0.000)	0.026 (0.000)	0.027 (0.000)	0.050 (0.000)	0.052 (0.000)
Nonlisted	0.039 (0.000)	0.039 (0.000)	0.037 (0.000)	0.036 (0.000)		
Listed	-0.039 (0.000)	-0.039 (0.000)	-0.037 (0.000)	-0.036 (0.000)		
Size	0.008 (0.000)	0.008 (0.000)			0.008 (0.000)	0.009 (0.000)
Size in millions			-0.007 (0.000)	-0.007 (0.000)		
Age	0.006 (0.000)	0.006 (0.000)	-0.006 (0.000)	-0.007 (0.000)	0.007 (0.000)	0.006 (0.000)
R^2	0.050	0.055	0.056	0.064	0.051	0.056
n	301,917	196,378	9,800	7,251	292,117	189,127

This table examines how the firm's performance depends on its listing status, controlling for a series of governance characteristics (ownership, board, and financial policy), firm size, firm age, and industry. Performance is measured by the return on assets (ROA). The sample is decomposed according to firm size and the number of owners.. "Large firms" are the 90% (5%) largest firms by sales that year among the listed (nonlisted) firms. The remaining firms are called small firms. The "Multiple owner" sample excludes all single owner firms, which are firms with one owner holding at least 99% of the shares. "Ownership concentration" is measured by the holdings of the largest owner. "Insider ownership" is the aggregate holdings of all directors in the firm. "Largest owner is unspecified" includes institutional owners, "Board size" is the number of directors, "CEO is director" is a dummy variable which is one if the CEO is on the board and zero otherwise. "Female directors" is the percentage of non-employee directors on the board, "Employee directors" is the percentage of employee directors. "Leverage" is total debt to total assets, "Dividends" is the percentage of earnings paid out as cash dividends, and "Size" is the log of sales in thousands of 2005 NOK.

The sample consists of non-financial firms in 2000-2005 that pass basic accounting consistency tests, activity tests, and that are not subsidiaries of another firm. Table 4.1 shows more details. We run OLS regressions and control for fixed industry effects (unreported) . The sum of the five owner type coefficients (panel A), the sum of the two listing status coefficients (panel B), and the sum of the ten industry dummies are all restricted to zero. The sample is pooled across the sample years. While panel A includes all firms, only firms where at least one director also owns shares enter panel B. The governance variables are lagged one year. The variables are winsorized as follows: ROA at 5%, dividend payout at 5%, leverage at 1%, and sales at 1%. P-values are in parentheses.

Appendix 4.A1. Items in the CCGR database

Item no.	English description	Norwegian description	File name
	Accounting data: Nonconsolidated		
2	CEO gender	Leder kjønn	Account_Data
3	CEO birth date	Leder fødselsdato	Account_Data
4	CEO birth year	Leder fødselsår	Account_Data
5	CEO Randomized SSN (Social security number)	Leder anonymiserte personnummer	Account_Data
6	Organization type	Foretaksform	Account_Data
7	Fiscal year start	Startdato	Account_Data
8	Fiscal year end	Avslutningsdato	Account_Data
9	Revenue	Salgsinntekt	Account_Data
10	Other operating income	Annen driftsinntekt	Account_Data
11	Sum operating income	Sum Driftsinntekter	Account_Data
12	New operating assets produced in-house	Endring i beholdning av egentilvirkede anleggsmidler	Account_Data
13	Raw materials and consumables used	Varekostnad	Account_Data
14	Payroll expense	Lønnskostnad	Account_Data
15	Depreciation of fixed assets and intangible assets	Avskrivninger på varige driftsmidler og immaterielle eiendeler	Account_Data
16	Write-down of fixed assets and intangible assets	Nedskrivning på varige driftsmidler og immaterielle eiendeler	Account_Data
17	Other operating expenses (2)	Annen driftskostnad (2)	Account_Data
18	Other operating expenses (1)	Annen driftskostnad (1)	Account_Data
19	Operating profits	Driftsresultat	Account_Data
20	Income from subsidiaries	Inntekt på investering i datterselskap	Account_Data
21	Income from other group entities	Inntekt på investering i annet foretak i samme konsern	Account_Data
22	Income from associated company	Inntekt på investering i tilknyttet selskap	Account_Data
23	Interest received from group companies	Renteinntekt fra foretak i samme konsern	Account_Data
24	Other interest received	Annen renteinntekt	Account_Data
25	Other financial income	Annen finansinntekt	Account_Data
26	Changes in market value of current financial assets	Verdiendring av markedsbaserte finansielle omløpsmidler	Account_Data
27	Write-down on other current financial assets	Nedskrivning av andre finansielle omløpsmidler	Account_Data
28	Write-down on fixed financial assets	Nedskrivning av finansielle anleggsmidler	Account_Data
29	Interests paid to other group companies	Rentekostnad til foretak i samme konsern	Account_Data
30	Other interest expenses	Annen rentekostnad	Account_Data
31	Other financial expenses	Annen finanskostnad	Account_Data
32	Net gain/loss on foreign expense	Agio/disagio	Account_Data
33	Operating profit before tax	Ordinært resultat før skattekostnad	Account_Data
34	Tax on ordinary profits	Skattekostnad på ordinært resultat	Account_Data
35	Operating profits (after tax)	Ordinært resultat	Account_Data
36	Extraordinary income	Ekstraordinær inntekt	Account_Data
37	Extraordinary expenses	Ekstraordinær kostnad	Account_Data
38	Tax on extraordinary profits	Skattekostnad på ekstraordinært resultat	Account_Data
39	Net profits	årsresultat	Account_Data
40	Group contribution	Konsernbidrag	Account_Data
41	Dividends	Utbytte	Account_Data
42	Reserve for valuation variances	Fond for vurderingsforskjeller	Account_Data
43	Transferred to retained earnings	Annen EK resultatdel	Account_Data
44	Research and development	Forskning og utvikling;Konsesjoner, patenter, lisenser, varemerker og lignende rettigheter;Goodwill	Account_Data
45	Deferred tax asset	Utsatt skattefordel	Account_Data
46	Intangible assets	Immaterielle eiendeler	Account_Data
47	Land, buildings and other property	Tomter, bygninger og annen fast eiendom	Account_Data
48	Machinery and plant	Maskiner og anlegg	Account_Data
49	Ships, rigs, airplanes, etc.	Skip, rigger, fly og lignende	Account_Data
50	Fixture and fittings, tools, office machinery, etc.	Driftsløsøre, inventar, verktøy, kontormaskiner og lignende	Account_Data
51	Tangible fixed assets	Varige driftsmidler	Account_Data
52	Investments in subsidiaries	Investeringer i datterselskap	Account_Data
53	Investment in different company in same group	Investeringer i annet foretak i samme konsern	Account_Data
54	Loans to group companies	Lån til foretak i samme konsern	Account_Data
55	Investments in associated companies	Investeringer i tilknyttet selskap	Account_Data
56	Loans to associated companies and jointly controlled companies	Lån til tilknyttet selskap og felles kontrollert virksomhet	Account_Data
57	Investments in shares	Investeringer i aksjer og andeler	Account_Data
58	Bonds and other receivables	Obligasjoner og andre fordringer	Account_Data
59	Pension fund	Pensjonsmidler	Account_Data
60	Subordinated debt	Ansvarlig lånekapital	Account_Data
61	Financial fixed assets	Finansielle anleggsmidler	Account_Data
62	Other fixed assets	Andre anleggsmidler	Account_Data
63	Fixed assets	Anleggsmidler	Account_Data
64	Inventories	Varer	Account_Data
65	Accounts receivable	Kundefordringer	Account_Data
66	Other receivables (1)	Andre fordringer(2)	Account_Data
67	Other receivables (2)	Andre fordringer(1)	Account_Data
68	Subscribed capital called but not paid	Krav på innbetalinger av selskapskapital	Account_Data
69	Receivables	Fordringer	Account_Data
70	Shares in group companies	Aksjer og andeler i foretak i samme konsern	Account_Data
71	Listed stocks	Markedsbaserte aksjer	Account_Data

Appendix 4.A1. Items in the CCGR database

Item no.	English description	Norwegian description	File name
72	Listed bonds	Markedsbaserte obligasjoner	Account_Data
73	Other listed financial instruments	Andre markedsbaserte finansielle instrumenter	Account_Data
74	Other financial instruments	Andre finansielle instrumenter	Account_Data
75	Investments	Investeringer	Account_Data
76	Bank deposits, cash on hand, etc.	Bankinnskudd, kontanter og lignende	Account_Data
77	Other current assets	Andre omløpsmidler	Account_Data
78	Current assets	Omløpsmidler	Account_Data
79	Share capital	Selskapskapital	Account_Data
80	Own shares	Egen aksjer	Account_Data
81	Share premium reserve	Overkursfond	Account_Data
82	Paid-in capital	Innskutt egenkapital	Account_Data
83	Reserve for valuation variances	Fond for vurderingsforskjeller	Account_Data
84	Other equity (Reserves)	Annen egenkapital (Reservefond)	Account_Data
85	Other equity (2)	Annen egenkapital (2)	Account_Data
86	Retained earnings	Opptjent egenkapital	Account_Data
87	Equity	Egenkapital	Account_Data
88	Pension liabilities	Pensjonsforpliktelser	Account_Data
89	Deferred tax	Utsatt skatt	Account_Data
90	Other provisions	Andre avsetninger for forpliktelse	Account_Data
91	Provisions	Avsetning for forpliktelser	Account_Data
92	Convertible loans	Konvertible lån	Account_Data
93	Bonds	Obligasjonslån	Account_Data
94	Liabilities to credit institutions	Gjeld til kredittinstitusjoner	Account_Data
95	Other long-term liabilities (2)	øvrig langsiktig gjeld (2)	Account_Data
96	Other long-term liabilities (3)	øvrig langsiktig gjeld (3)	Account_Data
97	Other long-term liabilities (1)	øvrig langsiktig gjeld (1)	Account_Data
98	Other long-term liabilities	Annen langsiktig gjeld	Account_Data
99	Convertible debt	Konvertible lån	Account_Data
100	Certificate debt	Sertifikatlån	Account_Data
101	Liabilities to credit institutions	Gjeld til kredittinstitusjoner	Account_Data
102	Trade creditors	Leverandørgjeld	Account_Data
103	Tax payable	Betalbar skatt	Account_Data
104	Public duties payable	Skyldige offentlige avgifter	Account_Data
105	Dividends	Utbytte	Account_Data
106	Other short-term liabilities (2)	Annen kortsiktig gjeld (2)	Account_Data
107	Other short-term liabilities (3)	Annen kortsiktig gjeld (3)	Account_Data
108	Other short-term liabilities (1)	Annen kortsiktig gjeld (1)	Account_Data
109	Current liabilities	Kortsiktig gjeld	Account_Data
110	Minority interests	Minoritetsinteresse	Account_Data
111	Comment code 1	Kommentar kode 1	Account_Data
112	Comment code 2	Kommentar kode 2	Account_Data
113	Number of employees	Antall ansatte	Account_Data
114	CEO Salary	Lederlønn	Account_Data
115	Auditor's fee	Revisors honorar	Account_Data
116	Remuneration the board of directors	Styrehonorar	Account_Data
117	Small/large company	Lite/stort firma	Account_Data
118	Net profit ratio	Resultatgrad	Account_Data
119	Liquidity ratio 1	Likviditetsgrad 1	Account_Data
120	Liquidity ratio 2	Likviditetsgrad 2	Account_Data
121	Solvency ratio	Soliditet	Account_Data
122	Financial leverage ratio	Gjeldsgrad	Account_Data
123	Interest coverage ratio	Rentedektningsgrad	Account_Data
124	Cash flow	Kontantstrøm	Account_Data
125	Inventory turnover	Lagerfinansiering	Account_Data
126	Return on equity	Egenkapitalrentabilitet	Account_Data
127	Return on assets	Totalkapitalrentabilitet	Account_Data
	Accounting data: Consolidated		
15002	CEO gender	Leder kjønn	Consolidated_Account_Data
15003	CEO birth date	Leder fødselsdato	Consolidated_Account_Data
15004	CEO birth year	Leder fødselsår	Consolidated_Account_Data
15005	CEO Randomized SSN (Social security number)	Leder anonymiserte personnummer	Consolidated_Account_Data
15006	Organization type	Foretaksform	Consolidated_Account_Data
15007	Fiscal year start	Startdato	Consolidated_Account_Data
15008	Fiscal year end	Avslutningsdato	Consolidated_Account_Data
15009	Revenue	Salgsinntekt	Consolidated_Account_Data
15010	Other operating income	Annen driftsinntekt	Consolidated_Account_Data
15011	Sum operating income	Sum Driftsinntekter	Consolidated_Account_Data
15012	New operating assets produced in-house	Endring i beholdning av egentilvirkede anleggsmidler	Consolidated_Account_Data
15013	Raw materials and consumables used	Varekostnad	Consolidated_Account_Data
15014	Payroll expense	Lønnskostnad	Consolidated_Account_Data
15015	Depreciation of fixed assets and intangible assets	Avskrivninger på varige driftsmidler og immaterielle eiendommer	Consolidated_Account_Data
15016	Write-down of fixed assets and intangible assets	Nedskrivning på varige driftsmidler og immaterielle eiendommer	Consolidated_Account_Data
15017	Other operating expenses (2)	Annen driftskostnad (2)	Consolidated_Account_Data
15018	Other operating expenses (1)	Annen driftskostnad (1)	Consolidated_Account_Data
15019	Operating profits	Driftsresultat	Consolidated_Account_Data
15020	Income from subsidiaries	Inntekt på investering i datterselskap	Consolidated Account Data

Appendix 4.A1. Items in the CCGR database

Item no.	English description	Norwegian description	File name
15023	Interest received from group companies	Renteinntekt fra foretak i samme konsern	Consolidated_Account_Data
15024	Other interest received	Annen renteinntekt	Consolidated_Account_Data
15025	Other financial income	Annen finansinntekt	Consolidated_Account_Data
15026	Changes in market value of current financial assets	Verdiendring av markedsbaserte finansielle omløpsmidler	Consolidated_Account_Data
15027	Write-down on other current financial assets	Nedskrivning av andre finansielle omløpsmidler	Consolidated_Account_Data
15028	Write-down on fixed financial assets	Nedskrivning av finansielle anleggsmidler	Consolidated_Account_Data
15029	Interests paid to other group companies	Rentekostnad til foretak i samme konsern	Consolidated_Account_Data
15030	Other interest expenses	Annen rentekostnad	Consolidated_Account_Data
15031	Other financial expenses	Annen finanskostnad	Consolidated_Account_Data
15032	Net gain/loss on foreign expense	Agio/disagio	Consolidated_Account_Data
15033	Operating profit before tax	Ordinært resultat før skattekostnad	Consolidated_Account_Data
15034	Tax on ordinary profits	Skattekostnad på ordinært resultat	Consolidated_Account_Data
15035	Operating profits (after tax)	Ordinært resultat	Consolidated_Account_Data
15036	Extraordinary income	Ekstraordinær inntekt	Consolidated_Account_Data
15037	Extraordinary expenses	Ekstraordinær kostnad	Consolidated_Account_Data
15038	Tax on extraordinary profits	Skattekostnad på ekstraordinært resultat	Consolidated_Account_Data
15039	Net profits	årsresultat	Consolidated_Account_Data
15040	Group contribution	Konsernbidrag	Consolidated_Account_Data
15041	Dividends	Utbytte	Consolidated_Account_Data
15042	Reserve for valuation variances	Fond for vurderingsforskjeller	Consolidated_Account_Data
15043	Transferred to retained earnings	Annen EK resultatdel	Consolidated_Account_Data
15044	Research and development	Forskning og utvikling;Konsesjoner, patenter, lisenser, varemerker og lignende rettigheter;Goodwill	Consolidated_Account_Data
15045	Deferred tax asset	Utsatt skattefordel	Consolidated_Account_Data
15046	Intangible assets	Immaterielle eiendeler	Consolidated_Account_Data
15047	Land, buildings and other property	Tomter, bygninger og annen fast eiendom	Consolidated_Account_Data
15048	Machinery and plant	Maskiner og anlegg	Consolidated_Account_Data
15049	Ships, rigs, airplanes, etc.	Skip, rigger, fly og lignende	Consolidated_Account_Data
15050	Fixture and fittings, tools, office machinery, etc.	Driftsløsøre, inventar, verktøy, kontormaskiner og lignende	Consolidated_Account_Data
15051	Tangible fixed assets	Varige driftsmidler	Consolidated_Account_Data
15052	Investments in subsidiaries	Investeringer i datterselskap	Consolidated_Account_Data
15053	Investment in different company in same group	Investeringer i annet foretak i samme konsern	Consolidated_Account_Data
15054	Loans to group companies	Lån til foretak i samme konsern	Consolidated_Account_Data
15055	Investments in associated companies	Investeringer i tilknyttet selskap	Consolidated_Account_Data
15056	Loans to associated companies and jointly controlled companies	Lån til tilknyttet selskap og felles kontrollert virksomhet	Consolidated_Account_Data
15057	Investments in shares	Investeringer i aksjer og andeler	Consolidated_Account_Data
15058	Bonds and other receivables	Obligasjoner og andre fordringer	Consolidated_Account_Data
15059	Pension fund	Pensjonsmidler	Consolidated_Account_Data
15060	Subordinated debt	Ansvarlig lånekapital	Consolidated_Account_Data
15061	Financial fixed assets	Finansielle anleggsmidler	Consolidated_Account_Data
15062	Other fixed assets	Andre anleggsmidler	Consolidated_Account_Data
15063	Fixed assets	Anleggsmidler	Consolidated_Account_Data
15064	Inventories	Varer	Consolidated_Account_Data
15065	Accounts receivable	Kundefordringer	Consolidated_Account_Data
15066	Other receivables (1)	Andre fordringer(2)	Consolidated_Account_Data
15067	Other receivables (2)	Andre fordringer(1)	Consolidated_Account_Data
15068	Subscribed capital called but not paid	Krav på innbetalinger av selskapskapital	Consolidated_Account_Data
15069	Receivables	Fordringer	Consolidated_Account_Data
15070	Shares in group companies	Aksjer og andeler i foretak i samme konsern	Consolidated_Account_Data
15071	Listed stocks	Markedsbaserte aksjer	Consolidated_Account_Data
15072	Listed bonds	Markedsbaserte obligasjoner	Consolidated_Account_Data
15073	Other listed financial instruments	Andre markedsbaserte finansielle instrumenter	Consolidated_Account_Data
15074	Other financial instruments	Andre finansielle instrumenter	Consolidated_Account_Data
15075	Investments	Investeringer	Consolidated_Account_Data
15076	Bank deposits, cash on hand, etc.	Bankinnskudd, kontanter og lignende	Consolidated_Account_Data
15077	Other current assets	Andre omløpsmidler	Consolidated_Account_Data
15078	Current assets	Omløpsmidler	Consolidated_Account_Data
15079	Share capital	Selskapskapital	Consolidated_Account_Data
15080	Own shares	Egen aksjer	Consolidated_Account_Data
15081	Share premium reserve	Overkursfond	Consolidated_Account_Data
15082	Paid-in capital	Innskutt egenkapital	Consolidated_Account_Data
15083	Reserve for valuation variances	Fond for vurderingsforskjeller	Consolidated_Account_Data
15084	Other equity (Reserves)	Annen egenkapital (Reservefond)	Consolidated_Account_Data
15085	Other equity (2)	Annen egenkapital (2)	Consolidated_Account_Data
15086	Retained earnings	Opptjent egenkapital	Consolidated_Account_Data
15087	Equity	Egenkapital	Consolidated_Account_Data
15088	Pension liabilities	Pensjonsforpliktelser	Consolidated_Account_Data
15089	Deferred tax	Utsatt skatt	Consolidated_Account_Data
15090	Other provisions	Andre avsetninger for forpliktelse	Consolidated_Account_Data
15091	Provisions	Avsetning for forpliktelser	Consolidated_Account_Data
15092	Convertible loans	Konvertible lån	Consolidated_Account_Data
15093	Bonds	Obligasjonslån	Consolidated_Account_Data
15094	Liabilities to credit institutions	Gjeld til kredittinstitusjoner	Consolidated_Account_Data
15095	Other long-term liabilities (2)	øvrig langsiktig gjeld (2)	Consolidated_Account_Data
15096	Other long-term liabilities (3)	øvrig langsiktig gjeld (3)	Consolidated_Account_Data
15097	Other long-term liabilities (1)	øvrig langsiktig gjeld (1)	Consolidated_Account_Data

Appendix 4.A1. Items in the CCGR database

Item no.	English description	Norwegian description	File name
15101	Liabilities to credit institutions	Gjeld til kredittinstitusjoner	Consolidated_Account_Data
15102	Trade creditors	Leverandørgjeld	Consolidated_Account_Data
15103	Tax payable	Betalbar skatt	Consolidated_Account_Data
15104	Public duties payable	Skyldige offentlige avgifter	Consolidated_Account_Data
15105	Dividends	Utbytte	Consolidated_Account_Data
15106	Other short-term liabilities (2)	Annen kortsiktig gjeld (2)	Consolidated_Account_Data
15107	Other short-term liabilities (3)	Annen kortsiktig gjeld (3)	Consolidated_Account_Data
15108	Other short-term liabilities (1)	Annen kortsiktig gjeld (1)	Consolidated_Account_Data
15109	Current liabilities	Kortsiktig gjeld	Consolidated_Account_Data
15110	Minority interests	Minoritetsinteresse	Consolidated_Account_Data
15111	Comment code 1	Kommentar kode 1	Consolidated_Account_Data
15112	Comment code 2	Kommentar kode 2	Consolidated_Account_Data
15113	Number of employees	Antall ansatte	Consolidated_Account_Data
15114	CEO Salary	Lederlønn	Consolidated_Account_Data
15115	Auditor's fee	Revisors honorar	Consolidated_Account_Data
15116	Remuneration the board of directors	Styrehonorar	Consolidated_Account_Data
15117	Small/large company	Lite/stort firma	Consolidated_Account_Data
15118	Net profit ratio	Resultatgrad	Consolidated_Account_Data
15119	Liquidity ratio 1	Likviditetsgrad 1	Consolidated_Account_Data
15120	Liquidity ratio 2	Likviditetsgrad 2	Consolidated_Account_Data
15121	Solvency ratio	Soliditet	Consolidated_Account_Data
15122	Financial leverage ratio	Gjeldsgrad	Consolidated_Account_Data
15123	Interest coverage ratio	Rentedektningsgrad	Consolidated_Account_Data
15124	Cash flow	Kontantstrøm	Consolidated_Account_Data
15125	Inventory turnover	Lagerfinansiering	Consolidated_Account_Data
15126	Return on equity	Egenkapitalrentabilitet	Consolidated_Account_Data
15127	Return on assets	Totalkapitalrentabilitet	Consolidated_Account_Data
	Firm identity data		
11102	Industry codes	Bransjekoder	Industry_Code
11103	Industry codes at level two	Bransjekoder nivå 2	Industry_Code
502	Company name	Selskapsnavn	Misc_2000
503	County number	Kommunenummer	Misc_2000
504	District number	Fylkesnummer	Misc_2000
505	Is City - Yes or No	Bystatus	Misc_2000
	Stock listing status data		
402	OSE Listing status	OSE noteringsstatus	Misc_1994
403	Security type	Verdipapirtype	Misc_1994
404	OBI company id	obi company id	Misc_1994
	Consumer price index data		
13301	CPI	KPI	Misc_1994
13302	CPI 2005	KPI 2005	Misc_1994
13303	Price adjusted	Prisjustert	Misc_1994
	Auditor and banking relationship data		
13410	Auditor's organization ID	Revisors organisasjonsnummer	Misc_2000
13411	Auditor name	Revisors navn	Misc_2000
13412	Name of bank relationship	Navn på bankforbindelse	Misc_2000
	Management data		
13408	CEO year of birth	Daglig leders fødselsår	Misc_2000
13409	CEO year of birth	Daglig leders fødselsdato	Misc_2000
13415	Chairman of board year of birth	Styreleder fødselsår	Misc_2000
13416	Chairman of board date of birth	Styreleder fødselsdato	Misc_2000
	Misc company characteristics		
13405	Number of employees	Antall ansatte	Misc_2000
506	Status	Status	Misc_2000
13417	Registered share capital	Registeret aksjekapital	Misc_2000
13418	Share capital comment	Aksjekapital kommentar	Misc_2000
13419	Paid-in share capital	Aksjekapital innbetalt	Misc_2000
	Foundation data		
13401	Foundation date	Etableringsdato	Misc_2000
13420	Company age	Selskapsalder	Misc_2000
13421	Founding year	Etableringsår	Misc_2000
	Credit rating data		
13501	First rating date	Første rating dato	Misc_2000
13502	First rating score	Første rating score	Misc_2000
13503	Last rating date	Siste rating dato	Misc_2000
13504	Last rating score	Siste rating score	Misc_2000
13505	Number of rating scores this year	Antall ratinger i dette året	Misc_2000
	Aggregated ownership data using direct ownership as source		
202	Number Of Owners	Antall eiere	Ownership_Control
203	Number Of Owners With Unspecified Type	Antall eiere med uspeisfisert type	Ownership_Control
204	Number Of Institutional Owners	Antall institusjonelle eiere	Ownership_Control
205	Number Of Personal Owners	Antall personlige eiere	Ownership_Control
206	Number Of Personal Male Owners	Antall manlige personlige eiere	Ownership_Control
207	Number Of Personal Female Owners	Antall kvinnelige personlige eiere	Ownership_Control
208	Number Of State Owners	Antall statlige eiere	Ownership_Control
209	Number Of International Owners	Antall internasjonale eiere	Ownership_Control
210	Number Of Industrial Owners	Antall industrielle eiere	Ownership_Control

Appendix 4.A1. Items in the CCGR database

Item no.	English description	Norwegian description	File name
212	% Equity Held by owner with rank 2	% eierandel til eier med rank 2	Ownership_Control
213	% Equity Held by owner with rank 3	% eierandel til eier med rank 3	Ownership_Control
214	% Equity Held by owner with rank 4	% eierandel til eier med rank 4	Ownership_Control
215	% Equity Held by owner with rank 5	% eierandel til eier med rank 5	Ownership_Control
216	Sum % Equity Held	Sum eierandeler i %	Ownership_Control
217	Aggregate % held by Of Owners With Unspecified Type	Aggregert fraksjon eid av uspesifiserte eiere	Ownership_Control
218	Aggregate % held by Institutional Owners	Aggregert fraksjon eid av institusjonelle eiere	Ownership_Control
219	Aggregate % held by Personal Owners	Aggregert fraksjon eid av personlige eiere	Ownership_Control
220	Aggregate % held by Personal Male Owners	Aggregert fraksjon eid av personlige mannlige eiere	Ownership_Control
221	Aggregate % held by Female Owners	Aggregert fraksjon eid av personlige kvinlige eiere	Ownership_Control
222	Aggregate % held by State Owners	Aggregert fraksjon eid av staten	Ownership_Control
223	Aggregate % held by International (Foreign) Owners	Aggregert fraksjon eid av internasjonale eiere	Ownership_Control
224	Aggregate % held by Industrial Owners	Aggregert fraksjon eid av industrielle eiere	Ownership_Control
225	Herfindahl ownership concentration ratio	Herfindahl	Ownership_Control
226	Number of owners with more than 5% share	Antall eiere med minst 5% andel	Ownership_Control
227	Number of owners with more than 10% share	Antall eiere med minst 10% andel	Ownership_Control
228	Aggregate % held by owners with more than 5% share	Andel eid av eiere med minst 5% andel	Ownership_Control
229	Aggregate % held by owners with more than 10% share	Andel eid av eiere med minst 10% andel	Ownership_Control
230	Largest owner is Unspecified	Største eier er uspesifiserte	Ownership_Control
231	Largest owner is Institutional	Største eier er institusjonell	Ownership_Control
232	Largest owner is Personal	Største eier er personlig	Ownership_Control
233	Largest owner is State	Største eier er statlig	Ownership_Control
234	Largest owner is International (Foreign)	Største eier er internasjonal	Ownership_Control
235	Largest owner is Industrial	Største eier er industriell	Ownership_Control
13601	Share owned by CEO	Andel av selskapet eid av CEO	Ownership_Control
	Aggregated ownership data using ultimate ownership as source		
14002	Number Of Owners	Antall eiere	Ownership Control
14003	Number Of Owners With Unspecified Type	Antall eiere med uspeisfisert type	Ownership_Control
14004	Number Of Institutional Owners	Antall institusjonelle eiere	Ownership_Control
14005	Number Of Personal Owners	Antall personlige eiere	Ownership_Control
14006	Number Of Personal Male Owners	Antall manlige personlige eiere	Ownership_Control
14007	Number Of Personal Female Owners	Antall kvinnelige personlige eiere	Ownership_Control
14008	Number Of State Owners	Antall statlige eiere	Ownership_Control
14009	Number Of International (Foreign) Owners	Antall internasjonale eiere	Ownership_Control
14010	Number Of Industrial Owners	Antall industrielle eiere	Ownership_Control
14011	% Equity Held by owner with rank 1	% eierandel til eier med rank 1	Ownership_Control
14012	% Equity Held by owner with rank 2	% eierandel til eier med rank 2	Ownership_Control
14013	% Equity Held by owner with rank 3	% eierandel til eier med rank 3	Ownership_Control
14014	% Equity Held by owner with rank 4	% eierandel til eier med rank 4	Ownership_Control
14015	% Equity Held by owner with rank 5	% eierandel til eier med rank 5	Ownership_Control
14016	Sum % Equity Held	Sum eierandeler i %	Ownership_Control
14017	Aggregate % held by Of Owners With Unspecified Type	Aggregert fraksjon eid av uspesifiserte eiere	Ownership_Control
14018	Aggregate % held by Institutional Owners	Aggregert fraksjon eid av institusjonelle eiere	Ownership_Control
14019	Aggregate % held by Personal Owners	Aggregert fraksjon eid av personlige eiere	Ownership_Control
14020	Aggregate % held by Personal Male Owners	Aggregert fraksjon eid av personlige mannlige eiere	Ownership_Control
14021	Aggregate % held by Female Owners	Aggregert fraksjon eid av personlige kvinlige eiere	Ownership_Control
14022	Aggregate % held by State Owners	Aggregert fraksjon eid av staten	Ownership_Control
14023	Aggregate % held by International (Foreign) Owners	Aggregert fraksjon eid av internasjonale eiere	Ownership_Control
14024	Aggregate % held by Industrial Owners	Aggregert fraksjon eid av industrielle eiere	Ownership_Control
14025	Herfindahl ownership concentration ratio	Herfindahl	Ownership_Control
14026	Number of owners with more than 5% share	Antall eiere med minst 5% andel	Ownership_Control
14027	Number of owners with more than 10% share	Antall eiere med minst 10% andel	Ownership_Control
14028	Aggregate % held by owners with more than 5% share	Andel eid av eiere med minst 5% andel	Ownership_Control
14029	Aggregate % held by owners with more than 10% share	Andel eid av eiere med minst 10% andel	Ownership_Control
	Aggregated board data		
602	Board size	Antall styremedlemmer	Ownership_Control
603	Directors' mean age	Styremedlemmers gjensomsnittelig alder	Ownership_Control
604	Directors' age dispersion	Styremedlemmers standardavik i alder	Ownership_Control
605	Number of female directors	Antall kvinnelige styremedlemmer	Ownership_Control
606	Number of employee-elected directors	Antall ansattvalgte styremedlemmer	Ownership_Control
607	Number of female employee-elected directors	Antall ansattvalgte kvinnelige styremedlemmer	Ownership_Control
608	Number of female stockholder-elected	Antall aksjonærvalgte kvinnelige styremedlemmer	Ownership_Control
609	Mean male director age	Mannlige styremedlemmers gjennomsnittelige alder	Ownership_Control
610	Mean female director age	Kvinnelige styremedlemmers gjennomsnittelige alder	Ownership_Control
	Group structure data		
14502	Group ID	Konsern ID	Ownership_Control
14503	is Parent	er morselskap	Ownership_Control
14504	is Subsidiary	er datterselskap	Ownership_Control
14505	is Joint Control	er felleskontrolert	Ownership_Control
14506	is Associated	er tilknyttet selskap	Ownership_Control
14507	is Independent	er uavhengig	Ownership_Control

Appendix 4.A2. Classifying firms by their NAICS level 3 code into one of nine industry sectors

NAICS code	NAICS label	Industry sector code	Industry sector
1	Agriculture and hunting	1	Agriculture, forestry, fishing, mining
2	Forestry and logging	1	Agriculture, forestry, fishing, mining
5	Fishing, fish farming, incl. services	1	Agriculture, forestry, fishing, mining
10	Coal mining and peat extraction	1	Agriculture, forestry, fishing, mining
12	Mining of uranium and thorium ores	1	Agriculture, forestry, fishing, mining
13	Mining of metal ores	1	Agriculture, forestry, fishing, mining
14	Other mining and quarrying	1	Agriculture, forestry, fishing, mining
27	Basic metals	2	Manufacturing, chemical products
28	Fabricated metal products	2	Manufacturing, chemical products
29	Machinery and equipment n.e.c.	2	Manufacturing, chemical products
30	Office machinery and computers	2	Manufacturing, chemical products
31	Electrical machinery and apparatus	2	Manufacturing, chemical products
32	Radio, TV sets, communication equip	2	Manufacturing, chemical products
26	Other non-metallic mineral products	2	Manufacturing, chemical products
34	Motor vehicles, trailers, semi-tr.	2	Manufacturing, chemical products
21	Pulp, paper and paper products	2	Manufacturing, chemical products
33	Instruments, watches and clocks	2	Manufacturing, chemical products
25	Rubber and plastic products	2	Manufacturing, chemical products
24	Chemicals and chemical products	2	Manufacturing, chemical products
35	Other transport equipment	2	Manufacturing, chemical products
22	Publishing, printing, reproduction	2	Manufacturing, chemical products
36	Furniture, manufacturing n.e.c.	2	Manufacturing, chemical products
20	Wood and wood products	2	Manufacturing, chemical products
19	Footwear and leather products	2	Manufacturing, chemical products
18	Wearing apparel., fur	2	Manufacturing, chemical products
17	Textile products	2	Manufacturing, chemical products
16	Tobacco products	2	Manufacturing, chemical products
15	Food products and beverages	2	Manufacturing, chemical products
23	Refined petroleum products	2	Manufacturing, chemical products
40	Electricity, gas and steam supply	3	Energy
11	Oil and gas extraction, incl. serv.	3	Energy
45	Construction	4	Construction
91	Membership organizations n.e.c.	5	Service
74	Other business activities	5	Service
73	Research and development	5	Service
72	Computers and related activities	5	Service
71	Renting of machinery and equipment	5	Service
37	Recycling	5	Service
80	Education	5	Service
99	Extra-territorial org. and bodies	5	Service
85	Health and social work	5	Service
75	Public administration and defense	5	Service
90	Sewage, refuse disposal activities	5	Service
70	Real estate activities	5	Service
92	Cultural and sporting activities	5	Service
55	Hotels and restaurants	5	Service
93	Other service activities	5	Service
95	Domestic services	5	Service
50	Motor vehicle services	5	Service
41	Water supply	5	Service
64	Post and telecommunications	5	Service
66	Insurance and pension funding	6	Financial
65	Financial intermediation, less ins.	6	Financial
67	Auxiliary financial intermediation	6	Financial
52	Retail trade, repair personal goods	7	Trade
51	Wholesale trade, commission trade	7	Trade
63	Supporting transport activities	8	Transport
62	Air transport	8	Transport
61	Water transport	8	Transport
60	Land transport, pipeline transport	8	Transport
		9	Multisector

Appendix 6.A1. Definitions of corporate finance variables

Variable	Abbrev.	Definition (item number and acctg. variable name from Appendix 4.A1)
After Tax Earnings After Extr. Items	NE	39 Result for the year
Operating Earnings After Tax	NOE	35 Operating result
Total Debt	D	[91 Provisions] + [98 Other long-term liabilities] + [109 Current liabilities]
Current Debt	CD	109 Current liabilities
Working Capital	WC	[78 Current assets]-[109 Current liabilities]
Current Assets	CA	78 Current assets
Dividends	Div	105 Dividends
Operating Earnings Before Interest After Tax	EBI	{ [19 Results of operations] + [20 Income from subsidiaries] + [21 Income from other group entities] + [22 Income from associates] + [23 Interest received from group companies] + [24 Other interest received] + [25 Other financial income] + [26 Changes in marked value of financial current assets] } * { 1- (-[34 Tax on ordinary result] / [33 Operating results before tax] or 28% if null)}
Total Assets	A	[63 Fixed assets] + [78 Current assets]
Owners Equity	EQ	87 Equity
Sales	S	[11 Sum operating income] + [24 Other interest received] + [25 Other financial income]
Company's Age	Age	[current year] - [13421] or [year firm entered our sample if null] or [1983 defined as 1994 minus average age of firms in 2000=11.99 years, the first year founding date is reported, if a firm is in our sample in 1994 but has no age reported]
Year Founded	Year Founded	[13421] or [year firm entered our sample if null] or [1983 defined as 1994 minus average age of firms in 2000=11.99 years, the first year founding date is reported, if a firm is in our sample in 1994 but has no age reported]
Estimated Tax	EstTax	-([34 Tax on ordinary result] / [33 Operating results before tax]) or 28% if null
Industry number	Industry Sector Label	0 Missing; 1 Agriculture, forestry, fishing, mining 2 Manufacturing, chemical products; 3 Energy 4 Construction; 5 Service 6 Financial; 7 Trade 8 Transport; 9 Multi Group
Inventory	Inv	64 Inventory
Accounts Receivable	AR	69
Deposits, Cash, Other	Cash	[76 Bank Deposits, Cash] + [77 Other current assets]
Debt to Assets	DtA	D / A
Current Debt to Debt	CDtD	CD / D
Dividend Payout	DIVtE	Div / NOE
Assets to Sales	AtS	A / S
Assets to Employees	AtEm	A / EmFill
Assets to Employees	StEm	S / EmFill
Sale Growth	gS	annual growth S_t / S_{t-1} replace with null if S or lag1.S is 0 i.e. no reporting,
Asset Growth	gA	annual growth A_t / A_{t-1} replace with null if A or lag1.A is 0 i.e. no reporting,
Earnings Growth	gNOE	annual growth NOE_t / NOE_{t-1} replace with null if S or lag1.S is 0 i.e. no reporting,
Working Capital to Assets	WCtA	WC / A
Investments in Depreciable Assets	INVEST	([46 Intangible assets] - [45 Deferred tax asset]) + [51 Tangible fixed assets] - [15 Depreciation of fixed assets and intangible assets] - [16 Write-down of fixed assets and intangible assets] - (lag1.46 - lag1.45 + lag1.51) replace with null if DA or lag1.DA is 0 i.e. no reporting, note 15 16 are reported with negative sign
Investment to Depreciable Assets	INVEST tDA	INVEST / {[lag1.46 Intangible assets] - [lag1.45 Deferred tax asset] + [lag1.51 Tangible fixed assets]} should not adjust for inflation as book values are not adjusted: replace with null if DA or lag1.DA is 0 i.e. no reporting, note 15 16 are reported with negative sign

Appendix 6.A1. Definitions of corporate finance variables

Variable	Abbrev.	Definition (item number and acctg. variable name from Appendix 4.A1)
Employees	Employees	We use consolidated statement data for companies that report consolidated assets that are at least 85% of non consolidated assets in any year. If consolidated employees are never reported, we use non consolidated data (and v.v.). For listed we use consolidated statements unless no positive values are ever reported; then we use non consolidated statements. Zeros are replaced by null values as the use of zeros did not exhibit consistent pattern in data (we did not find information in zeros; however, for firms with just non consolidated statements we do not replace zeros with nulls). Then missing (or gaps in time series) but not zero values are filled in with the latest positive value around the gap.
Average Employees	AvgEm	Average of [Employees]
Depreciation to Depreciable Assets	DDA	- [15 Depreciation of fixed assets and intangible assets] / (lag1.46 - lag1.45 + lag1.51) calculated if DA and lag1.DA are not Null
Writeoff to Depreciable Assets	WDA	- [16 Write-down of fixed assets and intangible assets] / (lag1.46 - lag1.45 + lag1.51) calculated if DA and lag1.DA are not Null
Degree of Tangibility of assets	TANG	[51 Tangible fixed assets] / A
Non-debt Tax Shield	NDTS	[15 Depreciation of fixed assets and intangible assets] / { [19 Results of operations] + [20 Income from subsidiaries] + [21 Income from other group entities] + [22 Income from associates] + [23 Interest received from group companies] + [24 Other interest received] + [25 Other financial income] + [26 Changes in marked value of financial current assets] }
Tax Exhaustion Dummy	TEDum	1 if CF<=0
Cash Flow	CF	19 + 15 + 16 - (64 - lag1.64) - (65 - lag1.65) + (102 - lag1.102) - 103
Leverage	Lev	Financial debt / (Book Shareholders Funds + Financial Debt)
Size category	Size	IIf([EmFill]<1,0,IIf([EmFill]<5,1,IIf([EmFill]<10,2,IIf([EmFill]<20,3,IIf([EmFill]<50,4,IIf([EmFill]<100,5,IIf([EmFill]<200,6,IIf([EmFill]<500,7,IIf([EmFill]<1000,8,IIf([EmFill]>=1000,9)))))))))
isConsolidated	isConsolidated	1 if we use consolidated statements. Note that we use consolidated if they are available and in no year consolidated total assets are less than 85% of non consolidated assets.
ROA	ROA	ROA: [EBI]/IIf([A]=0,Null,[a])

Appendix 7.A1. Definitions of corporate governance variables

Category	Var nr	Variable Name	VPS exist	Description ("_D" stands for direct "_U" stands for ultimate)
7.1. Ownership concentration	7.1.01	HoldLarge1_D	x	the largest owner (rank ties split by a uniform random number)
7.1. Ownership concentration	7.1.02	HoldLarge2_D	x	2nd largest owner
7.1. Ownership concentration	7.1.03	HoldLarge3_D	x	3rd largest owner
7.1. Ownership concentration	7.1.04	HoldLarge4_D	x	4th largest owner
7.1. Ownership concentration	7.1.05	HoldLarge5_D	x	5th largest owner
7.1. Ownership concentration	7.1.06	HoldLargeSum2_D	x	the sum of the 2 largest holdings
7.1. Ownership concentration	7.1.07	HoldLargeSum3_D	x	the sum of the 3 largest holdings
7.1. Ownership concentration	7.1.08	HoldLargeSum4_D	x	the sum of the 4 largest holdings
7.1. Ownership concentration	7.1.09	HoldLargeSum5_D	x	the sum of the 5 largest holdings
7.1. Ownership concentration	7.1.10	HoldLargeOuts_D		Largest outside owner
7.1. Ownership concentration	7.1.11	HoldSmallOuts_D		Smallest outside owner share
7.1. Ownership concentration	7.1.12	Herfindahl_D	x	Herfindahl index
7.1. Ownership concentration	7.1.13	NrOwners_D	x	Number of Owners
7.1. Ownership concentration	7.1.14	NrOwnersIns		Number of Inside Owners
7.1. Ownership concentration	7.1.15	HoldMean_D	x	Mean owner
7.1. Ownership concentration	7.1.16	HoldMedian_D	x	Median owner
7.1. Ownership concentration	7.1.17	TypeLarge1_D	x	Type of owner with rank 1, (includes VPS)
7.1. Ownership concentration	7.1.18	HoldLarge1_U		the largest owner
7.1. Ownership concentration	7.1.19	HoldLarge2_U		2nd largest owner
7.1. Ownership concentration	7.1.20	HoldLarge3_U		3rd largest owner
7.1. Ownership concentration	7.1.21	HoldLarge4_U		4th largest owner
7.1. Ownership concentration	7.1.22	HoldLarge5_U		5th largest owner
7.1. Ownership concentration	7.1.23	HoldLargeSum2_U		the sum of the 2 largest holdings
7.1. Ownership concentration	7.1.24	HoldLargeSum3_U		the sum of the 3 largest holdings
7.1. Ownership concentration	7.1.25	HoldLargeSum4_U		the sum of the 4 largest holdings
7.1. Ownership concentration	7.1.26	HoldLargeSum5_U		the sum of the 5 largest holdings
7.1. Ownership concentration	7.1.27	HoldLargeOuts_U		Largest outside owner
7.1. Ownership concentration	7.1.28	Herfindahl_U		Herfindahl index
7.1. Ownership concentration	7.1.29	NrOwners_U		Number of Owners
7.1. Ownership concentration	7.1.30	HoldMean_U		Mean owner
7.1. Ownership concentration	7.1.31	HoldMedian_U		Median owner
7.1. Ownership concentration	7.1.32	Block5NR_D	x	Number of owners with more than 5% share
7.1. Ownership concentration	7.1.33	Block10NR_D	x	Number of owners with more than 10% share
7.1. Ownership concentration	7.1.34	Block5SH_D	x	Share owned by owners with more than 5% share
7.1. Ownership concentration	7.1.35	Block10SH_D	x	Share owned by owners with more than 10% share
7.1. Ownership concentration	7.1.36	Block5NR_U		Number of owners with more than 5% share
7.1. Ownership concentration	7.1.37	Block10NR_U		Number of owners with more than 10% share
7.1. Ownership concentration	7.1.38	Block5SH_U		Share owned by owners with more than 5% share
7.1. Ownership concentration	7.1.39	Block10SH_U		Share owned by owners with more than 10% share
7.2. Owner types	7.2.01	HoldUnsp_D	x	Fraction of unspecified owner type
7.2. Owner types	7.2.02	HoldInst_D	x	Fraction of institutional owner type
7.2. Owner types	7.2.03	HoldPers_D	x	Fraction of personal owner type
7.2. Owner types	7.2.04	HoldStat_D	x	Fraction of state owner type
7.2. Owner types	7.2.05	HoldIntl_D	x	Fraction of foreigner owner type
7.2. Owner types	7.2.06	HoldIndu_D	x	Fraction of industrial owner type
7.2. Owner types	7.2.07	dLargeType0_D		dummy: is unspecified type the largest cumulative owner type
7.2. Owner types	7.2.08	dLargeType1_D		dummy: is institutional type the largest cumulative owner type
7.2. Owner types	7.2.09	dLargeType2_D		dummy: is personal type the largest cumulative owner type
7.2. Owner types	7.2.10	dLargeType3_D		dummy: is state type the largest cumulative owner type
7.2. Owner types	7.2.11	dLargeType4_D		dummy: is foreigner type the largest cumulative owner type
7.2. Owner types	7.2.12	dLargeType5_D		dummy: is industrial type the largest cumulative owner type
7.2. Owner types	7.2.13	SumHold_D	x	total percentage of shares accounted for
7.2. Owner types	7.2.14	HoldUnsp_U		Fraction of unspecified owner type
7.2. Owner types	7.2.15	HoldInst_U		Fraction of institutional owner type
7.2. Owner types	7.2.16	HoldPers_U		Fraction of personal owner type
7.2. Owner types	7.2.17	HoldStat_U		Fraction of state owner type
7.2. Owner types	7.2.18	HoldIntl_U		Fraction of foreigner owner type
7.2. Owner types	7.2.19	HoldIndu_U		Fraction of industrial owner type
7.2. Owner types	7.2.20	SumHold_U		total percentage of shares accounted for
7.2. Owner types	7.2.21	dLargeType0_U		dummy: is unspecified type the largest cumulative owner type
7.2. Owner types	7.2.22	dLargeType1_U		dummy: is institutional type the largest cumulative owner type
7.2. Owner types	7.2.23	dLargeType2_U		dummy: is personal type the largest cumulative owner type
7.2. Owner types	7.2.24	dLargeType3_U		dummy: is state type the largest cumulative owner type
7.2. Owner types	7.2.25	dLargeType4_U		dummy: is foreigner type the largest cumulative owner type
7.2. Owner types	7.2.26	dLargeType5_U		dummy: is industrial type the largest cumulative owner type
7.3. Inside owners	7.3.01	InsHold_CEO		CEO Share, 0 if the entry missing for a company
7.3. Inside owners	7.3.02	InsHold_BDexCEO		Board ex CEO share, 0 if the entry missing for a company
7.3. Inside owners	7.3.03	InsHold_BD		Board share (incl. chairman), 0 if the entry missing for a company
7.3. Inside owners	7.3.04	InsHold_all		All insider share (CEO+board ex CEO), 0 if the entry missing for a company
7.3. Inside owners	7.3.05	InsHold_Large1		Largest insider, 0 if the entry missing for a company
7.3. Inside owners	7.3.06	InsHold_Large2		2nd largest insider
7.3. Inside owners	7.3.07	InsHold_Large3		3rd largest insider
7.3. Inside owners	7.3.08	InsHold_Large4		4th largest insider
7.3. Inside owners	7.3.09	InsHold_Large5		5th largest insider

Appendix 7.A1. Definitions of corporate governance variables

Category	Var nr	Variable Name	VPS exist	Description ("_D" stands for direct "_U" stands for ultimate)
8. Board composition	8.01	bd_size		board size (# directors), excludes va: temporary and obs: observers
8. Board composition	8.02	bd_size_exempl		board size excluding employees (# directors): always zero in 03 and 05 due to data availability
8. Board composition	8.03	bd_avg_age		mean director age
8. Board composition	8.04	bd_avg_age_m		mean male director age
8. Board composition	8.05	bd_avg_age_f		mean female director age
8. Board composition	8.06	bd_sd_age		director age dispersion (std of director age)
8. Board composition	8.07	bd_nr_empl		number of employee directors
8. Board composition	8.08	bd_nr_fem		number of female directors
8. Board composition	8.09	bd_nr_fem_stockh		number of female stockholders elected
8. Board composition	8.10	bd_nr_fem_empl		number of female employee elected
8. Board composition	8.11	dCEOdirector		dummy: is CEO a director (but not chair, just any director, excluding "va", including "obs" etc.; for some directors the type in unknown but all those boards are larger than 1 person)
8. Board composition	8.12	dCEOchBD		dummy: is CEO the chair, reported just if both ceo and chair are known
8. Board composition	8.13	BD_Turn		board turnover excluding employees and temporary (va, ar): all_t1:size now; all_t0: size last period; same: match of members with full id length; short_t1: members with incompl id now; short_t0: members with incompl id last period; unchanged: same +min(short_t1, short_t0). turnov: 1-unchanged/[0.5*(all_t1+all_t0)]. Reset to null if size in t1 or t0 is 0 or null. OLD:(new members/year start members) or ([a129_bd_turn_s3_1].[All]-[Same])/[a129_bd_turn_s3_1].[All]
8. Board composition	8.14	disCHsame		dummy: is chairman same this year, 1 if the same
8. Board composition	8.15	dbd_nr_fem_empl		dummy: is female employee elected on board [this is missing and seem not to be provided by the data providers- ask Pal to verify]
8. Board composition	8.16	disCEOsame		dummy: is new CEO this year, 1 if the same
8. Board composition	8.17	dCEOknow		dummy is CEO known
8. Board composition	8.18	dCHBDknown		dummy is chairman of board known
9. Ranking and Misc	9.03	HoldTypeRank1	x	type with the largest aggregate holding (direct owners and includes VPS)
9. Ranking and Misc	9.06	CFShareEst		we use estimated share (C) if share info not available, but rank is available: A= min (share) B= min (100%-SumShares)/(2n), 1/2*A), where n is number of missing owners C= B + B/(100*Rank) for calculations: if A missing, replace by 100, if SumShares>=100, replace by 99.99, if Sumshares Missing, replace by 0 missing shares replaced by C
9. Ranking and Misc	9.07	bd_nr_empl_perc		if bd_nr_empl>0 then bd_nr_empl_perc=bd_nr_empl/bd_size; else bd_nr_empl_perc=0;
9. Ranking and Misc	9.08	bd_nr_fem_stockh		if bd_nr_fem_stockh>0 then bd_nr_fem_stockh_perc=bd_nr_fem_stockh/bd_size_exempl; else bd_nr_fem_stockh_perc=0;

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