

Appendix to ‘Measuring the effectiveness of bankruptcy institutions: filtering failures in Slovenian financial reorganizations’

Table A1: Definition and description of key variables utilized for purposes of regression analysis

Variable name	Description
Survive	Dummy equal to 1 if firm attempting financial reorganization at the end of the observation window operates either as a going concern or as a merged entity, and 0 if it has enter liquidation or another reorganization.
Return on assets	Ratio of the firm’s net profit to assets in the last year prior to attempted reorganization.
Leverage	Ratio of total liabilities to assets in the last year prior to attempted reorganization.
Liquidity	Ratio of the difference between total assets and inventory to liabilities (i.e. quick ratio) in the last year prior to attempted reorganization.
Assets	Value (in €) of firm’s total assets as established at the beginning of attempted reorganization.
Secured claims	Value (in €) of claims by secured creditors as declared by the debtor.
Unsecured priority claims	Value (in €) of claims by unsecured priority creditors as declared by the debtor.
Unsecured ordinary claims	Value (in €) of claims by unsecured ordinary creditors as declared by the debtor.
Excluded claims	Value (in €) of excluded claims as declared by the debtor.
Proposed percent of repayment of ordinary unsecured creditors	Proposed percent of the value of claims by unsecured ordinary creditors to be repaid as a result of reorganization.
Proposed months for repayment of ordinary unsecured creditors	Proposed number of months for repayment of claims to unsecured ordinary creditors as a result of reorganization.
Length of proceedings	Length of time (in days) between the filing for reorganization and court-registered decision on ordinary unsecured creditors’ acceptance or rejection of the debtor’s proposal.
Management turnover	Dummy equal to 1 if the director (in the case of limited liability companies) or the chief executive officer (in the case of joint-stock companies) was replaced either the year prior to or during the attempted reorganization and 0 otherwise.
Proposal accepted	Dummy equal to 1 if ordinary unsecured creditors accepted the debtor’s reorganization proposal and 0 if ordinary unsecured creditors rejected the debtor’s reorganization proposal.

Notes: The table shows definitions and descriptions of key variables used in the production of regression results reported in Table 2. The regression underlying the results in Table 2 in addition employs a wide set of fixed effects (see Table 2).

Table A2: Descriptive statistics for key variables utilized for purposes of regression analysis

Variable name	No. Obs.	Mean	Std. Dev.	Min.	Max.
Survive	331	0.5891	0.4927	0	1
Return on assets	331	-2.04	30.15	-548.34	0.92
Leverage	331	3.89	25.91	0.06	431.71
Liquidity	331	1.38	3.69	0.002	56.82
Assets (in €)	331	3,080,888.9	6,481,183.9	424.0	54,957,797.0
Secured claims (in €)	331	1,436,148.0	3,835,093.4	0	48,087,792.0
Unsecured priority claims (in €)	331	36,097.2	81,541.9	0	1,165,734.0
Unsecured ordinary claims (in €)	331	2,073,393.3	4,792,201.0	2,281.0	41,705,224.8
Excluded claims (in €)	331	171,046.9	1,432,975.4	0	24,985,414.0
Proposed percent of repayment of ordinary unsecured creditors	331	40.5	30.5	0.5	100
Proposed months for repayment of ordinary unsecured creditors	331	52.8	23.4	0.3	192.0
Length of proceedings (in days)	331	171.1	84.9	24	970
Management turnover	331	0.1873	0.3908	0	1
Proposal accepted	331	0.6616	0.4739	0	1

Notes: The table shows descriptive statistics for key variables used in the production of regression results reported in Table 2. The regression underlying the results in Table 2 in addition employs a wide set of fixed effects (see Table 2).