

Box from the Financial Stability Report for the second half of 2022:

Are Investors Identifying Broad Problems in the Nonbank Credit Companies?

- In the summer of 2022, the “Gibui Holdings Ltd.” and “Unet Credit Finance Services Ltd.” nonbank credit companies collapsed.
- This box examines the behavior of the share prices of the other nonbank credit companies around the time of the reports on problems at Gibui Holdings and Unet Credit.
- This analysis finds that investors in the equity market did not interpret the negative developments at these two companies as a warning of broad problems in the nonbank credit market or of serious problems at the other companies in the industry.

1. BACKGROUND

The supply side of the Israeli credit market includes the banks on one side and credit card companies, nonresidents, the government, households, institutional investors, and private companies on the other. This latter group is collectively referred to as nonbank credit companies. Due to the high concentration of the credit market in the hands of the banks, the nonbank credit companies have an important role to play in increasing competition in this market, particularly in the diversification of the sources of credit and in increasing access to them for the small and medium business sector.¹ The nonbank credit market has grown rapidly in recent years.² The number of publicly traded companies operating in this field has more than doubled since 2020, to about 20 companies. In addition, total assets of these public companies more than doubled in the second quarter of 2022 relative to the first quarter of 2020, from about NIS 11.8 billion to about NIS 235.6 billion. The rapid growth, alongside irregular prudential supervision³ and the role that nonbank credit companies played in the Global Financial Crisis of 2008, raise concerns about the nonbank credit industry and its impact on financial stability.⁴

Evidence of mismanagement at “Unet Credit Finance Services Ltd.” and “Gibui Holdings Ltd.”—two relatively small nonbank credit companies traded on the Tel Aviv Stock Exchange—began coming to light in June 2022. At the beginning of the month, Unet announced the appointment of an outside examiner, and the delay of the publication of its financial statements.⁵ In the middle of the same month, the company announced that in respect of loans it had provided, it was exposed to debts with risks that it could not assess.⁶ Until August, the company continued to report on the loss of checks, loans that were not properly approved, and other irregularities⁷, and that the company was trying to advance a debt restructuring with bondholders.⁸ As a result, the Israel Securities Authority decided to open an investigation concerning the company’s behavior.⁹ At the end of June 2022, “Gibui Holdings

¹ For more information, see the third report of the Committee to Examine Competition in the Credit Market: <https://www.boi.org.il/en/NewsAndPublications/PressReleases/Pages/16-8-21.aspx>

² For more information, see the *Financial Stability Report* for the second half of 2021, Box 2.

³ Nonbank credit providers are required to obtain a license to operate in the provision of credit from the Capital Market, Insurance and Savings Authority, and if the providers are publicly traded, they are supervised by the Israel Securities Authority regarding disclosure and transparency matters. The companies are not subject to prudential supervision.

⁴ <https://www.imf.org/external/pubs/ft/fandd/basics/52-shadow-banking.htm>; <https://www.esrb.europa.eu/pub/pdf/wp/esrb.wp105~ae3850b53d.en.pdf>; https://www.fsb.org/wp-content/uploads/c_130129y.pdf

⁵ <https://maya.tase.co.il/reports/details/1454074>

⁶ <https://maya.tase.co.il/reports/details/1456994>

⁷ <https://maya.tase.co.il/reports/details/1458185>; <https://maya.tase.co.il/reports/details/1463996>

⁸ <https://maya.tase.co.il/reports/details/1474287>

⁹ <https://maya.tase.co.il/reports/details/1463999>

Ltd.” reported on the appointment of an outside examiner due to concern of mismanagement.¹⁰ At the beginning of July, the company announced that the volume of exposure to high-risk debt was about NIS 38 million¹¹, compared with company equity of about NIS 90 million. Later on, evidence of embezzlement by the company’s manager was found¹², which led to a stoppage of trading, doubts regarding the repayment of bond debt¹³, the opening of an investigation by the Israeli Securities Authority¹⁴, and the advancement of a debt restructuring.¹⁵

This raises the question of whether these problematic events, which constitute the realization of operational risk, are the domain of two particular companies, or whether they indicate a broad problem in the nonbank credit industry. In particular, the failures that were discovered may indicate similar failures in other companies in the industry, which may lead to problems in those companies as well and/or to a tightening of regulation on them, which would come with costs to shareholders. Various reports in the media¹⁶ raised concerns regarding the significance of these events for the entire industry, criticized the regulation of these companies, and raised reports of a negative impact to the provision of credit by institutional investors to companies in the industry. The incidents at Unet Credit and Gibui Holdings also had an adverse impact on credit ratings agencies’ expectations of future growth in the industry, and therefore on the credit ratings of companies in the industry.¹⁷ As stated, the Israel Securities Authority supervises public companies in the industry on matters regarding disclosure and transparency. Due to these events, the Authority announced the opening of a broad audit of the companies in the industry, and published new guidelines for those companies that obligate them to publish the risks that may result from money laundering, theft, embezzlement, fraud, and irregularities, and to identify the company’s risk management officers.¹⁸ In contrast, if the events that took place at the two companies are perceived as isolated incidents that have no broad impact on the industry as a whole, then the collapse of these two companies may help their competitors. Over all, the negative events at Unet and Gibui” have the potential to affect the other companies in the nonbank credit industry in conflicting directions.¹⁹

¹⁰ <https://maya.tase.co.il/reports/details/1460713>

¹¹ <https://maya.tase.co.il/reports/details/1461703>

¹² <https://maya.tase.co.il/reports/details/1463748>; <https://maya.tase.co.il/reports/details/1472198>

¹³ <https://maya.tase.co.il/reports/details/1472188>

¹⁴ <https://maya.tase.co.il/reports/details/1477193>

¹⁵ <https://maya.tase.co.il/reports/details/1476675>

¹⁶ <https://www.globes.co.il/news/article.aspx?did=1001417447>; <https://www.themarket.com/markets/2022-07-03/ty-article/.premium/00000181-c4bd-d09b-a18b-cffdcd0f0000>; <https://www.ice.co.il/finance/news/article/867317>; <https://www.calcalist.co.il/market/article/s1z30q0qc>; <https://www.globes.co.il/news/article.aspx?did=1001417141>; <https://www.themarket.com/markets/2022-07-28/ty-article/.premium/00000182-408a-d9f7-a9e6-d0bb3b170000>; <https://www.bizportal.co.il/capitalmarket/news/article/806865>; <https://www.calcalist.co.il/market/article/syvvdq680c>.

¹⁷ See, for instance, the Ma’alot ratings report for the Peninsula company on December 18, 2022. <https://maya.tase.co.il/reports/details/1492989/2/0>

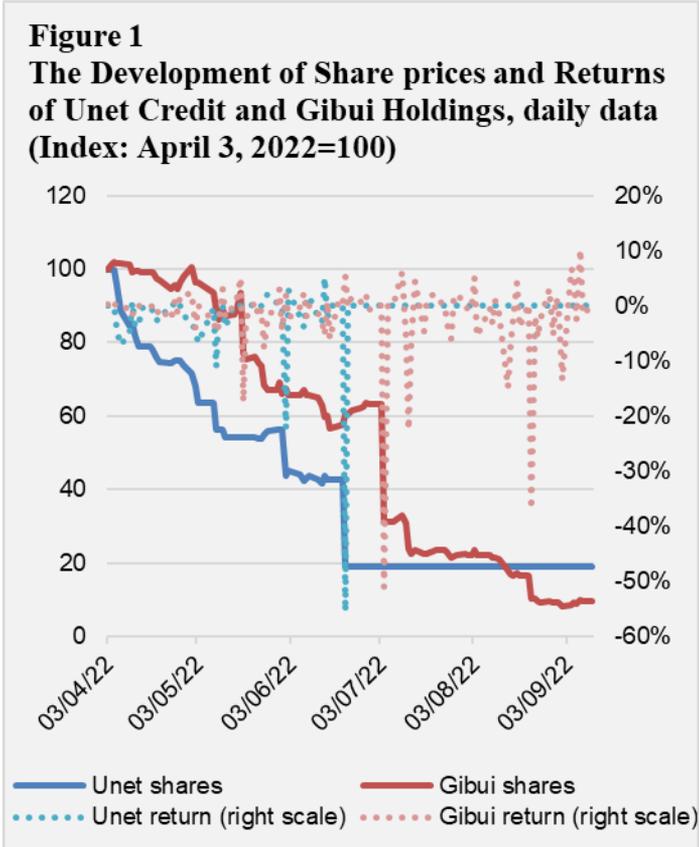
¹⁸

<https://www.isa.gov.il/%D7%94%D7%95%D7%93%D7%A2%D7%95%D7%AA%20%D7%95%D7%A4%D7%A8%D7%A1%D7%95%D7%9E%D7%99%D7%9D/175/2022/Pages/hodea20722.aspx>; <http://isa.gov.il/%D7%94%D7%95%D7%93%D7%A2%D7%95%D7%AA%20%D7%95%D7%A4%D7%A8%D7%A1%D7%95%D7%9E%D7%99%D7%9D/175/2022/Pages/hodea21722.aspx>

¹⁹ This discussion focuses on the operational risks in the nonbank credit industry. In addition, nonbank credit companies are obviously exposed to financial risks. During the COVID-19 crisis, for instance, the yield spreads of these companies increased more than the credit spreads of the traditional financial companies such as banks and insurance companies. (See the *Financial Stability Report* for the second half of 2021, Box 2.) In addition, it is important to note that “Gibui Holdings Ltd.” and “Unet Credit Finance Services Ltd.” are relatively small companies, in the lower half of the market value distribution of public nonbank credit companies, and that they were issued at a relatively late stage (similar to most public companies in this field).

This study examines equity market assessments of the effect of the Unet and Gibui events on the other companies in the nonbank credit industry, on the basis of the understanding that the financial markets can serve as a leading indicator of the future effects of present events, and in view of the gaps between the positions of various professionals and the lively public discussion on the matter. Thanks to the combination of a variety of market participants, whose positions are not uniform, in their analysis capability and in the information they have, alongside the incentives created by the investment of significant amounts by these participants, the equity market serves as a “survey with incentives” regarding future results, and provides useful information, particularly in complex and developing situations (Wagner, 2020).

2. THE TIMELINE AND THE EFFECT OF EVENTS ON THE COMPANIES INVOLVED



A series of events between May and August 2022 exposed serious problems in the behavior of Unet Credit Finance Services and Gibui Holdings. These events led to the collapse of their shares, concern over their ability to pay their debts, and investigations by regulatory bodies and the police. The associated events were monitored by searching through the reports to the public by Unet and Gibui in the Tel Aviv Stock Exchange’s “Maya” system, and through searches of relevant press articles using the Google search engine. The decision on what the most significant events were is, obviously, a question of judgment, but we based ourselves not only on experience and expertise, but also on the reaction of the companies’ shares to the events in question (Figure 1).²⁰

The average daily return on Unet Credit shares on the days when the first significant negative events that we identified transpired was -17 percent. A number of days after that, trading in the company’s shares was halted, and when trading resumed, the share immediately dropped by an additional 55% and did not resume trading. Gibui Holdings shares actually continued trading throughout most of the period. In the last seven negative events that we identified between July and August 2022, the company’s shares fell by more than 20 percent on average in response to each event. It therefore seems that investors interpreted the events at Unet and Gibui as destructive to the value of those companies.

3. METHODOLOGY AND DATA

3.1 Data

²⁰ On some of the tested dates, the share was under a stoppage of trading due to the negative developments in the companies. In those cases, we were forced to rely on our judgment alone.

For each company in the nonbank credit provision industry, the daily return on their shares was calculated, corresponding to the dividends and benefits for each day during the period around the events outlined on the above timeline. Statistical examinations based on a test of the impact of each event on the shares of each of the companies in the industry separately may be problematic if there is a correlation between the companies' shares on each of the examined days. In order to deal with this concern, we examined the impact of the events not only on the shares of the individual company, but also on the weighted portfolio of the industry. For this purpose, we built two synthetic portfolios of the companies in the nonbank credit provision industry, excluding Gibui Holdings and Unet Credit. The first is composed of the simple daily average of the daily returns on the companies in the industry, and the second is the daily average, weighted by market value, of the daily returns on the companies in the industry.

Table 1 shows the returns on the portfolios that combine the shares of the nonbank credit companies that compete with Gibui Holdings and Unet Credit on each of the days on which an event occurred that affected the probability of their crash. The Table shows that the average and median daily returns on the shares of the competing nonbank credit companies during the 14 events that showed a worsening of the state of the companies was negative but very close to zero. This simple theoretical statistic provides a hint that the dramatic events that occurred at Gibui Holdings and Unet Credit between May and August 2022 were not perceived as dramatic for the entire nonbank credit market. The shares of the nonbank credit companies traded on the Stock Exchange are affected not only by investors' assessments of the nonbank credit companies, but also by macroeconomic and financial events that influence the entire Israeli economy. In order to control for this effect, and in accordance with common practice in event-research studies (MacKinlay, 1997), we use an econometric estimation that controls for the daily return on the main index of the Tel Aviv Stock Exchange—the TA125—and in some cases also for the stock index that focuses on financial firms—the Tel Aviv Financial index.

Date	Company	Event	Weighted index	Equally weighted index	Gibui Holdings	Unet Credit
May 9/22	Unet	NIS 3.5 million was stolen from the company	-3.54%	-4.21%	-	-11.15%
Jun 1/22	Unet	External examiner was appointed due to irregularities at one of the company's branches, and the publication of financial statements was delayed	1.31%	0.97%	-	-22.28%
Jun 14/22	Unet	A nonbinding statement of principles was signed to sell 18% of the company's shares to Giza for NIS 10 million	-0.32%	-0.66%	-	5.07%
Jun 16/22	Unet	The external examiner's findings: The company has a higher exposure than previously known due to loans it provided	-0.93%	-1.57%	-	0.00%
Jun 22/22	Unet	Report on the loss of checks totaling NIS 10.6 million, and the exposure of an additional NIS 37 million	-0.38%	-0.38%	-	0.00%

Jun 23/22	Unet	Controlling owners announce that the shares will not be sold to Giza	0.77%	0.78%	-	0.00%
Jun 30/22	Gibui	Halt in trading and appointment of an external examiner to look at the company's activity in view of concern over mismanagement at the company's northern branch	-1.19%	-1.40%	0.00%	-
Jul 4/22	Gibui	Start of trading in order to remove the share from the indices, and lowering of the company's rating and that of its bonds	0.34%	-0.07%	-50.94%	-
Jul 12/22	Gibui	Report on mismanagement at the northern branch: A member of management took an arbitrage loan of NIS 2.5 million.	-0.34%	-0.36%	-22.51%	-
Jul 13/22	Unet	Discovery of additional irregularities at the company	-0.65%	-0.87%	-	0.00%
Jul 25/22	Gibui	Report of loans totaling about NIS 2.2 million provided to parties associated with the manager of the northern branch, without approvals	0.20%	0.24%	-3.38%	-
Aug 14/22	Gibui	The external examiner's first draft finds that there are lost assets totaling NIS 50–100 million	0.75%	0.29%	-14.74%	-
Aug 22/22	Gibui	Notice of failure to repay bond debt	-1.09%	-0.97%	-36.76%	-
Aug 23/22	Gibui	Concern about embezzlement of about NIS 6 million at the company's northern branch	0.28%	0.40%	-1.78%	-
Sep 1/22	Gibui	The forecast credit loss provision in the second quarter of 2022 is about NIS 80–100 million	-0.13%	-0.02%	-13.48%	-

The table shows the events that were identified as having the potential to influence the nonbank credit industry due to developments concerning Gibui Holdings and Unet Credit. Most of the events are expected to lead to a negative impact, other than positive events that appear in bold. Alongside each event, Columns 6 and 7 show the daily return on the holdings (%) of Unet Credit and Gibui Holdings, Column 4 shows the yield of the portfolio of the companies in the nonbank credit industry excluding Gibui Holdings and Unet Credit, weighted by their market value; and Column 5 shows the yield of the same portfolio using a simple average.

SOURCE: Based on "Maya" system for public company reporting, media notices, and Tel Aviv Stock Exchange data.

3.2 Methodology

In order to examine the effect of the events at Bigui Holdings and Unet Credit on the other companies in the nonbank credit market, as assessed by the financial markets in real time, we use an event study method. The facts that these events were unexpected and that each of them had a significant impact on the probability that Gibui Holdings and Unet Credit would collapse helped. The focus of our interest in this box is not the examination of the negative impact on

the involved companies themselves, but rather on the question of whether and to what extent the negative events at the two companies reflect broad problems in the nonbank credit market.²¹

A negative response by shares of competing companies to a worsening in the state of Gibui Holdings and Unet Credit may be due to investors' assessments that the problems in the two companies are an indication of broader problems in the nonbank credit market and/or an assessment that the problems at the two companies would lead to a tightening of regulation of worsening of market conditions for the other companies in the industry. In contrast a positive reaction may be due to investors' assessments that the level of competition in the nonbank credit market would decline due to the collapse of two of the competitors, and that this would lead to an increase in the profitability of the other companies in the market.

In order to examine the effect of the collapse of Gibui Holdings and Unet Credit on investors' assessments regarding the state of the competing nonbank credit companies, we examined the response of weight portfolios of the shares of the competing companies to the events, while controlling for the appropriate benchmark indices. For this purpose, we adopted the method used, for example, by Wan and Wong (*Journal of Corporate Finance*, 2009). In particular, we estimated the following equation:

$$(1)R_t = \alpha + \beta_m R_{m,t} + \beta_{fin} R_{fin,t} + \gamma D_t + \varepsilon_t$$

where R_t is the return on the portfolio, either equally weight or weighted by the market value of the shares of the competing nonbank credit companies; $R_{m,t}$ is the return on the Tel Aviv 125 index on day t ; $R_{fin,t}$ is the return on the Tel Aviv Financials index on day t ; and D_t is a category variable that obtains the value of 1 on each of the 14 days when we identified events that indicated a worsening of the state of Gibui Holdings or Unet Credit and a value of 0 otherwise. Therefore, the coefficient γ is expected to estimate the average effect of an increase in the probability of collapse of Gibui Holdings or Unet Credit on the shares of competing companies.

4. THE EFFECT OF THE COLLAPSE OF UNET CREDIT AND GIBUI HOLDINGS ON COMPETITORS—ESTIMATION RESULTS

Table 2 shows the estimation results of Equation (1) over a period of 246 trading days from the beginning of September 2021 to the end of August 2022. The Table shows the effects of the events that had an impact on the destiny of the Gibui Holdings and Unet Credit on the return of the average portfolio of the competing nonbank credit companies.

The Table clearly shows that the serious events at Gibui Holdings and Unet Credit did not have a statistically or economically significant effect on the shares of the competing nonbank credit companies in any of the specifications that we examined.²² The other coefficients are in the

²¹ Various studies have used event studies focusing on competing shares to examine the broad effects of events such as mergers and regulation. Eckbo (1983) and Stillman (1983) examined the shares of competing companies to look at the impact of mergers on the level of competition and consumer well-being. Bittlingmayer and Hazlett (2000) examined how enforcement of antitrust laws in the US against Microsoft affected the company's competitors and suppliers in the computer industry. Fee and Thomas (2004) and Shahrur (2005) used a broad sample of horizontal mergers to examine the impact of those mergers on competitors, suppliers, and customers of the merged firms. Karceski, Ongena, and Smith (2005) examined the impact of mergers in the banking industry on customers of the merged banks, and showed that the shares of companies that had borrowed from the purchased banks reacted negatively to the purchase announcement.

²² This conclusion remains valid even if we relate to the one positive event reported by Unet Credit during the period. The results also remain valid if we examine the events related to Unit Credit and those related to Gibui Holdings separately. In addition, even when we estimate a panel regression with the explanatory variable being the return of all nonbank credit companies every day, we do not find that the events at Gibui Holdings and Unet Credit had a statistically significant impact on the competing companies.

expected direction. In particular, the shares of the nonbank credit companies are very much in line with the main Tel Aviv 125 index. Alongside this, a comparison of the various specifications shows that the negative events at Gibui Holdings and Unet Credit tended to have a negative effect on their small competitors (as show by the use of the simple average in Columns 2 and 4), but a positive effect on larger competitors (as shown by the use of the weighted average in Columns 1 and 3).²³ These differences may show that the collapse of Gibui Holdings and Unet Credit did moderately increase concerns over the stability of the small nonbank credit companies, while investors were not concerned over the stability of the larger companies in the industry, and even believed that they would benefit somewhat from the decline in the level of competition and/or tightening regulatory requirements in the industry.

Table 2: The connection between the events at Unet Credit and Gibui Holdings and the return on yields of competing companies (%)

	(1)	(2)	(3)	(4)
Negative event	0.085%	-0.084%	0.076%	-0.091%
Tel Aviv 125	0.771***	0.747***	0.653***	0.669***
Tel Aviv financial			0.110	0.724
Fixed	0.001%	-0.049%	-0.002%	-0.050%
Number of observations	246	246	246	246
Adjusted R ²	63.3%	60.8%	63.5%	60.8%

The table shows the results of the estimation of Equation (1) for a period of 246 trading days from the beginning of September 2021 until the end of August 2022. The table shows the effect of the events en route to the collapse of Unet Credit and Gibui Holdings on the return (%) of the average portfolio of competing nonbank credit companies. Columns 1 and 2 control for the return on the Tel Aviv 125 index, and Columns 3 and 4 control for the return on the Tel Aviv Financials index in addition to the Tel Aviv 125. Columns 1 and 3 show the effect of the events at Unet Credit and Gibui Holdings on the return weighted by market value of the shares of the competing companies, and Columns 2 and 4 show the effect on the simple average return of the shares of the competing companies. *, **, and *** indicate that the tested coefficient is different from zero with a statistical significance of 10%, 5%, and 1% respectively, according to *t* test, with standard deviations that are robust to heteroskedasticity.

SOURCE: Based on “Maya” system for public company reporting, media notices, and Tel Aviv Stock Exchange data.

Finally, we used a two-stage estimation to examine the surplus return (beyond expected) of each of the “other” nonbank credit companies on the negative dates at Unet Credit or Gibui Holdings. Using a number of statistical tests, we examined the hypothesis that the surplus return on shares of the competing nonbank credit companies on the date of the incident is not significantly different from zero. However, as we can see in Table 3, similar to the previous results, the estimation using this method, which is also common in event studies, does not generate a result that is significantly different from zero for any of the specifications that we examined.

Table 3: The surplus yield on shares of the competing companies at the individual company level (%)

	Number of observations	Average	Median	Negative observations	Positive observations
Surplus return 1	238	0.00	0.00	122	116
Surplus return 2	238	0.0001	0.0012	113	125

The table sums the surplus returns (%) of the competing nonbank credit companies on the days on which significant negative events took place at Unet Credit and at Gibui Holdings. The surplus returns for each

²³ Estimating the effects of the events on the small competing companies and on the large competing companies separately leads to qualitatively and quantitatively similar results to the use of the simple average and of the weighted average, respectively.

company-event observation were estimated as the difference between the return on the company's share on the date of the event and its expected return based on the coefficients obtained in the estimation of the following equation throughout the estimation period, from the beginning of May 2021 to the end of April 2022:

$$(2)R_{i,t} = \alpha_i + \beta_{i,m}R_{m,t} + \beta_{i,fin}R_{fin,t} + \varepsilon_t$$

We used the coefficients obtained from this estimation as the basis for predicting the expected return on the days when there was a negative event at Unet Credit or Gibui Holdings, and calculated the effect beyond expected (abnormal return, AR) of each event on the returns of the competing nonbank credit companies using the equation:

$$(3)AR_{i,t} = R_{i,t} - \hat{\alpha}_i - \hat{\beta}_{i,m}R_{m,t} - \hat{\beta}_{i,fin}R_{fin,t}$$

Surplus return 1 is the surplus return based on the estimation of Equation (2) with one explanatory variable—the Tel Aviv 125 index. Surplus return 2 is the surplus return based on the estimation of Equation (2) with the Tel Aviv 125 index and the Tel Aviv Financials index. Column (2) shows the number of observations used in the estimation, which is equal to the number of events multiplied by the number of companies examined. Column (3) shows the average surplus return, where the statistical significance is based on a two-sided t test of the hypothesis that the average surplus return is equal to zero. Column (4) shows the median surplus return, where the statistical significance is based on a two-sided Wilcoxon test of the hypothesis that the median surplus return is equal to zero. Columns 5 and 6 show the number of company-event observations with negative and positive surplus returns, accordingly, where the statistical significance is based on the label test.

SOURCE: Based on “Maya” system for public company reporting, media notices, and Tel Aviv Stock Exchange data.

5. Conclusion

The nonbank credit market has grown rapidly in recent years, but in view of the slight prudential regulation, there have also been concerns of the stability of companies in this field. These concerns escalated with the revelation of evidence of significant mismanagement at the Unet Credit and Gibui Holdings companies in the spring and summer of 2022. There is a particular question regarding whether these problematic events are the domain of two particular companies, or whether they indicate a broad problem in the nonbank credit industry. The failures discovered at Unet Credit and at Gibui Holdings may indicate similar failures in other companies in the industry, which may lead to problems in those companies as well and/or to a tightening of regulation on them, which would come with costs to shareholders. This point of view was expressed not only in the public discourse, but also in the new and stringent guidelines issued by the Israel Securities Authority. In contrast, if the events that took place at the two companies are perceived as isolated incidents in those companies only, which have no broad impact on the industry as a whole, then the collapse of these two companies may help their competitors.

We examined the shares of Unet Credit and Gibui Holdings, and found that investors did in fact interpret the events at those companies as very negative in terms of their valuations. In view of the two conflicting hypotheses regarding the impact on the competing companies, this study examines the equity market's assessment of the impact of these events on the other companies in the nonbank credit industry, on the basis of the understanding that the financial markets can serve as a leading indicator of the future effects of present events. In particular, we used the event study method, which focuses on the effect of the various negative events that took place at Unet Credit and Gibui Holdings on the competing companies.

The findings show that the negative events at Unet Credit and Gibui Holdings did not have a statistically or economically significant effect on the shares of the competing nonbank credit companies. The events at Unet Credit and Gibui Holdings may have been perceived by investors—perhaps contrary to the mood in the media—as isolated and not as broad events with implications for all companies in the industry. However, the large companies in the industry had a moderate positive reaction, compared with the moderate negative reaction of the small

companies in the industry. This provides a hint that investors did perceive the events at the two collapsing companies as having some broad impact that was expected to have a negative effect on the other small companies in the industry, but that may also help the larger companies due to an expected decline in the level of competition in the industry due to the collapse of the two companies and an increase in the regulatory benchmark for activity in the industry. Either way, the empirical findings in this box do not support the hypothesis that the collapse of the two companies was perceived as an indication of a broad failure that endangers the entire nonbank credit industry. At the very most, it may have some implications for the level of competition in the industry.

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