**A Reputation in Ruins: The Aftermath of Silicon Valley Bank (SVB) Collapse and Its Impact on Financial Markets**

**Abstract**

In this study, we use an event study approach to examine the effects of financial contagion from the collapse of SVB on developed and developing financial markets. Our findings indicate that most economies experienced negative market reactions with significant negative abnormal and cumulative abnormal returns in post-event days. Regional analysis shows that European and Asian markets were significantly affected, with delayed effects observed in Latin America and more transient effects in the Middle East and Africa. This highlights the need to monitor and minimize financial contagion risk due to the increased interconnectedness of financial systems. It also suggests the importance of strong regulatory frameworks and risk management policies to mitigate the adverse impact of financial contagion across markets.

Keywords: Bank Default, SVB collapse, Event study, Financial Markets

JEL Code: G2, G11, G14, G15

1. **Introduction**

Financial markets have grown increasingly interconnected during the past decade, driven by the rising globalization of the world economy and technological advancements. This has resulted in stronger market links and increased cross-border investment, raising the prospect of financial contagion and systemic risk (Corbet & Goodell, 2022). As a result, policymakers, scholars, and investors continue to express interest in gaining a deeper understanding of the nature and dynamics of financial market interdependence (Bouzzine & Lueg, 2020; Corbet, Hou, Hu, & Oxley, 2022). More connectedness results in improved efficiency and more optimal allocation of capital to competitive markets and businesses, which spurs financial innovation (Nguyen & Nguyen, 2022). However, this increased level of connectivity also gives rise to serious challenges. Because markets are linked, a shock originating in one market can rapidly spread to others, potentially causing a domino effect and resulting in market disruptions and financial fragility (Yousaf & Goodell, 2023). This may be especially troublesome if the shocks are caused by factors linked to a rise in systemic risk, such as the failure of a major financial institution (Goodell, Li, & Liu, 2023). The impact of such events can rapidly spread across borders, potentially affecting the entire global financial system (Kim, Kim, & Lee, 2015).

The recent failure of Silicon Valley Bank (SVB) has sent shockwaves through the global financial system, raising grim fears about the fragility of the banking system and the potential risk of a more widespread catastrophe. The run on deposits at SVB has been characterized as the second-largest bank run in United States history after the 2008 run on the Washington Mutual Bank. The SVB collapse triggered significant concerns about the resilience of the banking system and the potential for contagion to other financial markets (Kim et al., 2015). SVB was the sixteenth-largest commercial bank in the United States and a vital provider of services to high-tech firms and the healthcare industry, and its failure is anticipated to have far-reaching implications for financial markets worldwide.[[1]](#footnote-1)

The collapse of SVB has already had a global effect, with financial markets around the world showing signs of distress. SVB’s operations were spread around different regions globally, which gave it the potential to trigger this contagion. Its collapse has already caused stress in global equity markets, weakened the US dollar, and led to increased volatility in stock markets, with the so-called “fear index” (VIX) and the ICE BofA Move Index both rising to their highest levels.[[2]](#footnote-2) In Australia, the S&P/ASX 200 dropped 1.41%, primarily due to losses in the banking sector. The impact of the bank’s collapse has also been witnessed in financial markets in the UK, where the government is scrambling to reduce the damage to the tech sector, which relies heavily on SVB’s UK subsidiary. Likewise, in China, the collapse of SVB has left many tech start-ups stumbling and triggered uncertainty in financial markets, as SVB was a key financer of startups operating between China and the US.[[3]](#footnote-3) Japan's Topix and Nikkei 225 indexes also suffered losses, largely due to the decline in the share price of Softbank Group, which fell to its lowest point since 2022. South Korean Kosdaq and Hong Kong’s Hang Seng index and Hang Seng Tech index both slumped.[[4]](#footnote-4) The collapse also posed serious challenges to developing economies like India, where a large portion of venture funding was backed by SVB.

Overall, the collapse of SVB has had a significant impact on financial markets across the globe, with the potential for lasting effects on the economies of the US, UK, Australia, China, Japan, and elsewhere. The SVB collapse also provides an ideal natural experiment to investigate market contagion and its implications. In this study, we aim to evaluate the impact of the SVB collapse on global financial markets, both developed and developing. In recent years, the interconnectivity of financial markets has increased, resulting in a closer relationship between markets and a greater likelihood of financial contagion and systemic risk (Bouzzine & Lueg, 2020).

Our study contributes to the literature by being the first to examine the impact of SVB’s collapse on developed and developing financial markets. Previous literature has explored the impact of firm collapses on financial markets (Bouzzine & Lueg, 2020; Li, Zhang, & Zhao, 2022; Nguyen & Nguyen, 2022), but this study adds to the literature by examining the impact of SVB’s collapse on other financial markets.

The collapse of SVB has sparked distress in global financial markets, causing widespread concern about the stability of the banking industry. As one of the largest banks in the US with $210 billion in assets,[[5]](#footnote-5) SVB’s downfall would have catastrophic consequences for the global financial markets. By describing the effects of the SVB collapse on global financial markets, our study provides insights into the nature and magnitude of spillover effects and how they propagate through interconnected financial systems. Additionally, it may indicate how financial institutions can identify and manage contagion risk and enhance their risk management practices.

Our study uses a more comprehensive approach than previous studies by assessing the total impact of unobservable stress on financial markets during a period of uncertainty, as opposed to focusing on specific news or events linked to the SVB bankruptcy. Our methodology enables us to present a more detailed view of the possible ripple-on effects of the demise of this large financial institution on multiple financial markets. We employ the basic event methodology proposed by MacKinlay (1997), to determine the influence of SVB’s collapse on a diverse array of financial markets. Therefore, our study provides a more rigorous and thorough examination of the possible systemic risk associated with linked financial markets and underscores the need for improved risk management methods and regulatory frameworks to limit the risk of contagion.

The results of our study reveal that both developed and developing economies responded negatively to the default of SVB, with clear evidence of financial contagion effects. Although abnormal returns were mostly insignificant before and after the collapse of SVB, the significant negative cumulative abnormal returns after the event suggest a strong market reaction to the collapse of SVB. Furthermore, our regional analysis shows that the European and Asian markets reacted negatively, while delayed negative effects were also observed in Latin America. However, the response of Middle Eastern and African markets was minimal and short-lived.

These findings emphasize the significance of monitoring and minimizing the risk of financial contagion, particularly given the increased interconnectedness of financial systems. Policymakers and regulators must take measures to mitigate the impact of such systemic risks on other financial institutions and markets.

The rest of the study is organized as follows: in section 2, we provide context and introduce the relevant literature. In section 3, we describe our data and methods, and in section 4, we present and discuss our results. We present our conclusions in section 5.

1. **Background and Literature**

SVB occupied a prominent position in the US banking market, providing banking services to over half of all venture-backed US technology and healthcare firms. The failure of SVB had an enormous effect on the banking industry, as well as the technological and healthcare industries SVB supported. Its assets, which included loans, more than quadrupled between the end of 2019 and the end of March 2022, from $71 billion to $220 billion.[[6]](#footnote-6) During this time, deposits increased from $62 billion to $198 billion as hundreds of tech entrepreneurs deposited capital with the lender. In a classic example of a bank run, consumers withdrew deposits from SVB in a frenzied 48-hour period, precipitating the bank’s abrupt demise. On March 9, 2023, the bank’s price dropped 60%, dragging the price of other bank stocks down with it, as investors feared a repetition of the 2008 global financial crisis. California regulators intervened, closing the bank and placing it under the receivership of the Federal Deposit Insurance Corporation (FDIC). US financial regulators took emergency steps to stop the effects of the collapse of Silicon Valley Bank from spreading to other banks and ensure that depositors could access their funds as quickly as possible. The US federal government stepped in to guarantee customer deposits on March 13 but, at the time of writing, SVB’s downfall continues to reverberate across global financial markets.

The SVB collapse caused an immediate reaction in financial markets. Trading in shares of First Republic Bank (FRC) and PacWest Bancorp (PACW) was briefly stopped because their prices fell by 65% and 52%, respectively. The stock price of Charles Schwab (SCHW) also declined by 7%. The Stoxx Europe 600 Banks index, which tracks 42 big banks in the EU and UK, also fell by 5.6%.[[7]](#footnote-7) Additionally, SVB was not just the largest lender to unicorns, startups, and techs but was also home to the reserve cash held by some crypto companies. Hence, in addition to conventional markets, markets that include digital assets may also be at risk from the collapse of SVB.

SVB’s collapse was caused by a combination of factors, including its over-reliance on the tech sector, exposure to the bond market, and changing economic conditions. The bank invested billions of dollars in US government bonds during a time of near-zero interest rates. The value of these bonds fell rapidly as the Federal Reserve aggressively hiked rates to curb inflation, causing the value of SVB’s entire bond portfolio to decline. SVB’s dependence on the tech industry was another source of risk, as economic conditions changed and the sector’s fortunes shifted. These factors led to a run on the bank and, ultimately, its collapse, with potential consequences for the banking sector and financial markets. Fears of contagion have grown following the biggest bank failure since 2008.

* 1. **Reputational Contagion**

The impact of reputational contagion can be particularly severe for financial institutions, given the crucial role they play in the global economy. The loss of confidence in one bank can lead to a loss of confidence in the entire banking system, potentially triggering a wider financial crisis (Basaran-Brooks, 2022; Corbet & Goodell, 2022; Fabrizi, Huan, & Parbonetti, 2021). Past studies have probed the way that business entity-level stress events spread to other related entities and industries (Kim et al., 2015; Morrison & White, 2013). Goodell et al. (2023) examine the reputational contagion effect of the Colonial Pipeline ransomware attack, and authors such as Fabrizi et al. (2021) and He, Pittman, & Rui (2016), have examined the dynamics of reputational contagion, especially the extent to which significant financial and reputational events have spillover effects on other markets. These works provide significant insights regarding the contagion effect of the SVB collapse on the banking sector and financial markets. The purpose of this study is to determine the contagion effect of SVB collapse on financial markets, provide inclusive empirical evidence, and suggest broader managerial and regulatory implications.

1. **Data and Methodology**
   1. **Data**

We obtained daily data for stock indexes covering the major economies of the world from *investing.com*. We refer to March 9, 2023, when the stock price of SVB declined by 60%, as the event date. The estimation window is 120 days (t-126 to t-6) and the event windows comprises the 10 trading days from March 1 to March 16, 2023 (t-5 to t+5). For the purpose of this analysis, we only consider trading days. The event has impacted many economies; however, we focus on examining the impact on the stock exchanges of G20 and relevant economies. This dataset comprises the world’s largest economies, including both industrialized and developing nations, representing around 90% of gross world product (GWP), 75%–80% of international trade, and two-thirds of the global population.

Figure 1 shows the returns of the equity market indexes on the event data. We observe that, apart from Australia, all equity markets have negative returns, suggesting the contagion effect of the SVB collapse on other economies. To provide a more in-depth analysis, we categorize the 34 selected countries based on their level of economic development (developed or emerging) and region (Latin America, Europe, Asia, North America, or the Middle East and Africa), so that we can understand which kind of economies and regions are affected the most due to this event.

**3.2. Methodology**

To test the reputational impact of the collapse of SVB and the Signature and Silvergate banks on international equity returns, we employ the event study approach. Similar to Dyckman, Philbrick, and Stephan (1984), we estimate the normal returns using the OLS model:

(1)

Here,and represent the returns for asset *i* and the benchmark index (MSCI world equity index), respectively, on day *t*.

**3.2.1. Abnormal returns**

After calculating the actual and estimated returns, we then compute the abnormal returns as follows:

(2)

Here, is the abnormal return for asset *i* on day *t*.

**3.2.2. Aggregate abnormal and cumulative aggregate abnormal returns**

Next, we examine the aggregate abnormal and cumulative abnormal returns to investigate the impact of this event on various markets. We calculate the aggregate abnormal returns as follows.

(3)

We then use the average abnormal returns to compute the cumulative abnormal returns, which is the sum of average abnormal returns over the event window from to .

(4)

1. **Results & Discussion**

Table 1 reports the abnormal returns on the event day for developed economies (Panel A) and developing economies (Panel B). The abnormal returns for Australia (-2.03%), Canada (-0.48%), Hong Kong (-0.33%), Norway (-0.67%) Switzerland (-0.24%), United Kingdom (-0.42%), United States (-0.37%) are negative but insignificant. Panel A of Table 1 also shows that Israel, Denmark, Germany, France, Japan, Netherlands, and Sweden had positive but insignificant abnormal returns on the event day. Israel had the largest positive abnormal return at 1.21%, followed by Denmark at 1.53%. Abnormal returns in other countries ranged from 0.54% to 0.83%. Likewise, from Panel B, the abnormal returns on the day of SVB’s collapse for a selection of developing economies were also insignificant. The results indicate that developing countries experienced negative as well as positive abnormal returns. Negative and insignificant abnormal returns were observed in Brazil (-1.38%), Argentina (-1.13%), and the Philippines (-1.58%). Positive abnormal returns were observed in Russia (0.09%), Indonesia (0.56%), Thailand (0.25%), and Saudi Arabia (0.82%). The abnormal returns for China, India, South Korea, Poland, Malaysia, and the UAE were negative but insignificant, indicating a decline in stock prices following the SVB collapse. By contrast, the abnormal returns for Russia, Mexico, Indonesia, Turkey, Thailand, South Africa, and Saudi Arabia were positive but insignificant, indicating an increase in stock prices.

Table 2 shows aggregate market AARs, CAARs (Panel A), and BHAAR (Panel B). Panel A shows the AARs for *t-6* to *t-1* which are not statistically significant since all p-values are greater than 0.05. However, for *t* and *t+1*, there are statistically significant and negative AARs at a 1% level of significance. In the context of the SVB collapse, the results from Table 2, Panel A suggest that there were no statistically significant abnormal returns in the six days leading up to the collapse of the bank (*t-6* to *t-1*). AARs were statistically significant and negative on the day of the event and t+1. However, the effect of the event did not persist because AARs for later periods, although negative, were insignificant, which implies that markets eventually stabilized, and the initial shock wore off. From this, it could be inferred that investors may have adjusted their portfolios and taken a more long-term view of the situation after their initial reaction to the news (Yousaf & Goodell, 2023).

Panel A also shows the cumulative average abnormal returns (CAARs) and significance level (p-values) for the six days before and after the collapse of SVB. The event occurred on day *t*, and that is when the CAAR turns negative and significant. Before the event, CAARs are mostly positive but not significant, indicating that there was no significant market reaction leading up to the collapse of SVB. However, on the event day and six days after the event (*t+1* to *t+6*), the CAARs are all negative and significant, indicating that there was a significant market reaction to the default of SVB and that this reaction persisted for several days. From *t+1* to *t+6*, the study found significant CAARs. Specifically, there was a decrease in the average abnormal return of (-2.06%) at *t+1* with a significance level of 0.017, (-2.51%) at *t+2* with a significance level of 0.014, (-3.61%) at *t+3*, 0.002, (-3.63%) at *t+4*, (-3.58%) at *t+5*, (3.69%) at *t+6* at 0.007, all significant. Our results confirm the supposition that the financial contagion effect of the collapse of SVB on financial markets persisted for several days. The significant negative CAARs indicate that there was a strong, widespread market reaction to the default of SVB. The results also highlight the importance of monitoring the potential for financial contagion in the aftermath of a significant event like the default of SVB. Investors and policymakers need to be vigilant in order to minimize the impact of contagion and prevent it from spreading to other financial institutions and markets (Corbet & Goodell, 2022; Morrison & White, 2013).

We also used the BHAAR model to determine returns over specific periods of time. Panel B shows the BHAAR results, which indicate that before the event AAR and CAARs remain insignificant and negligible. However, AARs were statistically significant and negative on the day of the event and *t+1*, although the effect of the event does not persist because they are no longer significant after that, which implies that markets do not react strongly to the news of the bank’s collapse. By contrast, the CAARs described above indicate that the market responded negatively to the default of SVB, as indicated by the negative and significant CAAR values, and that this reaction persisted for several days after the event. Specifically, we found that the CAAR values from *t+1* to *t+6* were all negative and significant, providing strong evidence of abnormal negative returns during this period. These results correspond with the potential for contagion and systemic risk in the financial system (Bouzzine & Lueg, 2020; Corbet & Goodell, 2022; Yousaf & Goodell, 2023), and suggest that the collapse of a single institution can have a ripple-on effect throughout markets. They underscore the importance of effective risk management and oversight in the financial industry. These results also imply that markets may not always be perfectly efficient, and there may be opportunities for investors to generate abnormal returns through careful analysis and investment strategies. This has implications for the nature of market efficiency and the development of new investment strategies. Moreover, our findings also demonstrate the role of information asymmetry in financial markets. The fact that negative AARs were significant only on the day of the event and *t+1* suggests that investors quickly incorporated the news of the bank’s collapse into their investment decisions.

Table 3 provides a snapshot of the abnormal returns in developed countries six days before and after the collapse of SVB. Before the event (*t-1* to *t-6*) abnormal returns remain mostly positive and insignificant for all the developed economies. However, abnormal returns after the collapse of SVB (*t+1* to *t+6*) vary widely between countries. For example, returns from *t+1* to *t+3* for Japan, Germany, United Kingdom, France, Italy, Israel, Australia, and the Netherlands remain negative and significant but do not persist for a longer period of time. One possible reason why some of the developed countries remain less affected than others is regulation. This variation in abnormal returns across different countries after the collapse of SVB reflects the different regulatory responses and preparedness of each country’s financial regulators. Countries with more effective and efficient regulatory frameworks and risk mitigation strategies may have been better equipped to manage the impact of the collapse of SVB on their financial markets. For instance, countries that had stricter regulations in place to manage systemic risks and prevent the spread of contagion following the failure of a financial institution may have experienced a less severe impact on their markets (Nguyen & Nguyen, 2022; Soenen & Vander Vennet, 2022). Additionally, countries that had more robust emergency response plans and mechanisms, such as coordinated efforts between financial regulators and central banks, may have been able to mitigate the impact of the collapse of SVB on their markets.

Table 4 shows abnormal returns in developing economies before and after the collapse of SVB. Abnormal returns vary across time and economies. They are largely insignificant before the event, not showing any anticipatory effects of the SVB collapse. Abnormal returns are negatively insignificant in most of the post-event days for most of the economies, except South Korea, Indonesia, Thailand, the Philippines, and UAE, in which returns were negative and significant at *t+2*. However, our findings indicate that negative abnormal returns did not persist for an extended length of time, implying that the effect of the SVB collapse on the financial markets of developing nations was fleeting. Additionally, the results in Table 4 suggest that the collapse of SVB did not trigger a widespread contagion effect on financial markets in developing countries. The CAARs for all countries over the entire event window are reported in Figure 2. It reveals that most of the economies had negative, and in some cases even significantly negative, CAAR. This further strengthens our argument that the failure of SVB has had a widespread impact on economies. Our results have several implications for investors and policymakers. For investors, they suggest that the impact of events like the collapse of SVB on developing economies’ financial markets may be limited and short-lived. Therefore, investors may not need to adjust their investment strategies significantly in response to such events. On the other hand, for policymakers, the result indicates that the financial systems of developing economies may be relatively resilient to external shocks, at least in the short term. However, regulators may still need to monitor the potential risks and vulnerabilities in their financial systems to ensure their stability and resilience in the long run.

Table 5 presents the aggregate AARs and CAARs, accompanied by their respective p-values, for the financial markets we considered. Panel A of Table 5 reports the AARs and CAARs of developed countries. From *t-1* to *t-6*, both AARs and CAARs remain positive but insignificant. However, after the collapse of SVB (*t+1* to *t+6*), the AARs remain negative (-1.85%) at *t+1* with a significant value of 0.005. AARs are negative but insignificant. By contrast, the CAARs at *t+1*, *t+3*, *t+4*, *t+5*, and *t+6* are negative and significant. The results indicate that developed economies negatively responded to the collapse of SVB. The significant and negative cumulative average abnormal returns also signify the financial contagion in developed economies due default of SVB. The failure of SVB had a short-lived but large negative influence on the AARs of developed economies, but the CAARs remained negative and significant for a longer length of time, demonstrating that the financial contagion produced by SVB affected the whole market.

Panel B of Table 5 shows the AARs and CAARs of developing countries. The AARs before and after the event remain negative but insignificant, with the only exceptions on the event day and *t+2*, when the AARs remain negative and significant. Conversely, CAARs before the event are insignificant. From *t+2* to *t+6* the cumulative average abnormal returns remain negative and significant on the bases of p-value. The reason why markets did not respond significantly based on AARs and responded significantly based on CAARs is likely due to the cumulative effect of the event on markets. AARs are calculated based on the average returns of individual securities, and therefore may not fully capture the overall impact of a specific event on the market. On the other hand, CAARs consider the cumulative effect of the event on the market over time and may provide a more accurate representation of the overall impact of the event.

We also conducted a regional analysis, which showcases how different regions responded to the collapse of SVB. Panel C of Table 5 reports AARs and CAARs from the North American region. The result before and after the event remain insignificant. Likewise, Panel D of Table 5 shows the AARs and CAARs of European markets. European markets reacted negatively and significantly after the collapse of SVB. Panel E shows the AAR and CAAR results from the Asian region, which also responded negatively and significantly from *t+1* to *t+6*. Panel F shows the negative but insignificant AARs of Latin American markets, although with negative and significant CAARs at *t+3*. Finally, Panel G shows the AARs and CAARs of the Middle East and Africa. The AARs after the collapse of SVB, at *t+2*, *t+3*, and *t+5* are negative and significant. However, the CAARs before and after the demise of SVB are negative but insignificant.

Our regional analysis clearly demonstrates the existence of financial contagion, which should be a cause for concern for policymakers and investors alike. The fact that the collapse of one financial institution can have a negative impact on markets across different regions highlights the interconnectedness of financial systems and the potential for systemic risks (Zhao, Li, Lei, & Zhou, 2022). The negative and significant CAARs in European and Asian markets are particularly alarming, as they suggest that the contagion effect was more pronounced in these regions. This may have been due to the exposure of financial institutions in these regions to the events leading up to the collapse of SVB, or the interconnectedness of financial systems across these regions. South American markets had negative CAARs at *t+3*, showing a delayed response to the event, whereas markets in the Middle East and Africa had negative and significant AARs for specified time periods but only slight CAARs before and after the event, indicating a more transient market impact. Regional disparities in performance can be attributable to a variety of factors, including variations in market structure, exposure level, and economic conditions (Zhao et al., 2022). These regional differences may influence the magnitude and impact of SVB’s collapse on different regions. Additionally, we have used buy and hold average abnormal returns (BHAARs) as an alternate measure, as demonstrated in Table 1A of the Appendix, which confirms the robustness of the CAAR results. The results conclusively show that there was no significant market reaction leading up to the collapse of SVB based on AARs. However, CAARs remain negative and significant on the event day and six days after the event, indicating a widespread market reaction and the persistence of financial contagion in both developed and developing markets. These results underscore the importance of monitoring the potential for financial contagion and taking vigilant measures to minimize its impact on other financial institutions and markets.

1. **Conclusion**

The failure of SVB and the defaults by Signature Bank and Credit Suisse have triggered alarms in the banking sector, with mounting fears over the possibility of more widespread financial contagion. In the context of recent academic interest in financial contagion (Corbet & Goodell, 2022; Corbet et al., 2022) and the significance of banking failures to financial markets, we have examined contagion in developed and developing financial markets following the collapse of SVB. We used an event study approach to determine the impact of the SVB collapse on financial markets. We analyzed the abnormal returns and cumulative average abnormal returns (CAARs) in the stock markets of developed and developing economies before and after the default of SVB. The results reveal that abnormal returns remained negative but insignificant for developed economies, with positive but insignificant returns observed in some countries. Similarly, the abnormal returns on the event day for developing economies remained insignificant, with both negative and positive abnormal returns. The CAARs were mostly positive but not significant before the event, indicating no significant market reaction leading up to the collapse of SVB. However, on the event day and six days after the event, the CAARs were all negative and significant, suggesting that there was a significant market reaction to the default of SVB and that this reaction persisted for several days. The results confirm the notion of financial contagion from the collapse of SVB on developed and developing financial markets. We also conducted a regional analysis of the effects of SVB collapse on markets in different regions. Results show that there was a significant negative impact on European and Asian markets, indicating financial contagion. Delayed negative effects were observed in Latin American markets, while the collapse appeared to have had a more transient impact on Middle Eastern and African markets. Our study highlights the interconnectedness of financial systems and the need for policymakers and regulators to monitor and minimize the potential for financial contagion. These findings have significant implications for both developing and developed economies. The existence of financial contagion highlights the need for policymakers in both types of economies to monitor the potential for systemic risks and take measures to mitigate the impact of specific issues on other financial institutions and markets. Future studies may explore other financial markets such as bond and treasury markets, cryptocurrencies, or decentralized finance to determine the financial contagion triggered by the collapse of SVB.

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| Figure 1: Country-wise returns on event day |

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| Table 1: Abnormal Returns on Event day |  |  |  |  |
| Panel A: Developed Economies | |  | Panel B: Developing Economies | |
| United States | -0.37% |  | China | -0.20% |
|  | (0.412) |  |  | (0.819) |
| Japan | 0.68% |  | India | -0.76% |
|  | (0.468) |  |  | (0.305) |
| Germany | 0.77% |  | South Korea | -0.25% |
|  | (0.211) |  |  | (0.821) |
| United Kingdom | -0.42% |  | Russia | 0.09% |
|  | (0.435) |  |  | (0.917) |
| France | 0.54% |  | Brazil | -1.38% |
|  | (0.420) |  |  | (0.329) |
| Italy | -0.11% |  | Mexico | 0.57% |
|  | (0.877) |  |  | (0.542) |
| Israel | 1.21% |  | Indonesia | 0.56% |
|  | (0.291) |  |  | (0.421) |
| Canada | -0.48% |  | Turkey | 0.04% |
|  | (0.224) |  |  | (0.989) |
| Australia | -2.03%\*\* |  | Poland | -0.24% |
|  | (0.022) |  |  | (0.809) |
| Netherlands | 0.83% |  | Thailand | 0.25% |
|  | (0.190) |  |  | (0.612) |
| Switzerland | -0.24% |  | Argentina | -1.13% |
|  | (0.726) |  |  | (0.631) |
| Norway | -0.67% |  | South Africa | 0.52% |
|  | (0.455) |  |  | (0.624) |
| Denmark | 1.53%\* |  | Philippines | -1.58% |
|  | (0.069) |  |  | (0.201) |
| Singapore | -0.38% |  | Malaysia | -0.22% |
|  | (0.570) |  |  | (0.767) |
| Belgium | -0.15% |  | Saudi Arabia | 0.82% |
|  | (0.804) |  |  | (0.323) |
| Sweden | 0.62% |  | UAE | -0.81% |
|  | (0.467) |  |  | (0.240) |
| Hong Kong | -0.33% |  |  |  |
|  | (0.870) |  |  |  |
| Ireland | -0.20% |  |  |  |
|  | (0.787) |  |  |  |
| Note: p-values in parentheses and \*\*\* p-value < .01, \*\* p-value <.05, \* p-value <.1 | | | | |

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| Table 2: Aggregate market AARs and CAARs | | | | | |  |  |  |  |  |
| 2 |  | Panel A: CAAR model | | | |  | Panel B: BHAAR model | | | |
| 1 |  | AAR | p-value | CAAR | p-value |  | AAR | p-value | CAAR | p-value |
| t-6 |  | -0.27% | (0.678) | -0.27% | (0.678) |  | -0.28% | (0.375) | -0.28% | (0.375) |
| t-5 |  | 0.10% | (0.591) | -0.17% | (0.999) |  | 0.09% | (0.772) | -0.19% | (0.677) |
| t-4 |  | 0.49% | (0.179) | 0.32% | (0.412) |  | 0.48% | (0.122) | 0.30% | (0.585) |
| t-3 |  | -0.15% | (0.686) | 0.17% | (0.591) |  | -0.15% | (0.631) | 0.15% | (0.815) |
| t-2 |  | 0.09% | (0.778) | 0.26% | (0.547) |  | 0.08% | (0.793) | 0.23% | (0.747) |
| t-1 |  | -0.08% | (0.826) | 0.17% | (0.661) |  | -0.09% | (0.781) | 0.14% | (0.856) |
| t |  | -0.87%\*\*\* | (0.006) | -0.70% | (0.427) |  | -0.87%\*\*\* | (0.007) | -0.73% | (0.392) |
| t+1 |  | -1.36%\*\*\* | (0.007) | -2.06%\*\* | (0.017) |  | -1.37%\*\*\* | (0.000) | -2.10%\*\* | (0.024) |
| t+2 |  | -0.45% | (0.662) | -2.51%\*\* | (0.014) |  | -0.46% | (0.144) | -2.56%\*\* | (0.010) |
| t+3 |  | -1.10% | (0.121) | -3.61%\*\*\* | (0.002) |  | -1.10%\*\*\* | (0.001) | -3.66%\*\*\* | (0.001) |
| t+4 |  | -0.02% | (0.834) | -3.63%\*\*\* | (0.001) |  | -0.02% | (0.950) | -3.67%\*\*\* | (0.001) |
| t+5 |  | 0.05% | (0.936) | -3.58%\*\*\* | (0.006) |  | 0.04% | (0.890) | -3.63%\*\*\* | (0.002) |
| t+6 |  | -0.11% | (0.863) | -3.69%\*\*\* | (0.007) |  | -0.11% | (0.720) | -3.74%\*\*\* | (0.002) |
| Note: p-values in parentheses and \*\*\* p-value < .01, \*\* p-value <.05, \* p-value <.1 | | | | | | | | | | |

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| Table 3: Abnormal returns of Developed Economies | | |  |  |  |  |  |  |  |  |  |  |
|  | t-6 | t-5 | t-4 | t-3 | t-2 | t-1 | t+1 | t+2 | t+3 | t+4 | t+5 | t+6 |
| United States | 0.43% | 0.15% | -0.09% | 0.08% | 0.32% | -0.37% | 0.53% | 0.76%\* | 0.80%\* | 0.38% | -0.26% | 0.23% |
|  | (0.341) | (0.747) | (0.835) | (0.868) | (0.476) | (0.412) | (0.238) | (0.095) | (0.077) | (0.397) | (0.569) | (0.608) |
| Japan | -0.08% | 1.49% | 1.10% | 0.31% | 0.48% | 0.68% | -1.09% | -2.25%\*\* | 0.08% | -0.86% | 1.22% | -1.46% |
|  | (0.932) | (0.114) | (0.239) | (0.740) | (0.605) | (0.468) | (0.244) | (0.017) | (0.931) | (0.358) | (0.192) | (0.119) |
| Germany | -0.20% | 0.59% | 0.24% | 0.24% | 0.43% | 0.77% | -2.81%\*\*\* | 1.13%\* | -2.55%\*\*\* | 0.59% | -0.96% | 0.57% |
|  | (0.748) | (0.337) | (0.695) | (0.697) | (0.483) | (0.211) | (0.000) | (0.067) | (0.000) | (0.338) | (0.118) | (0.354) |
| United Kingdom | 0.17% | -0.41% | -0.37% | 0.11% | 0.05% | -0.42% | -2.58%\*\*\* | 0.85% | -3.69%\*\*\* | 0.46% | -0.94%\* | 0.66% |
|  | (0.742) | (0.444) | (0.479) | (0.832) | (0.923) | (0.435) | (0.000) | (0.111) | (0.000) | (0.384) | (0.078) | (0.212) |
| France | 0.37% | -0.05% | 0.11% | 0.27% | -0.24% | 0.54% | -2.71%\*\*\* | 1.23%\* | -2.98%\*\*\* | 1.15%\* | -1.12%\* | 0.77% |
|  | (0.573) | (0.945) | (0.862) | (0.690) | (0.715) | (0.420) | (0.000) | (0.067) | (0.000) | (0.088) | (0.094) | (0.249) |
| Italy | -0.08% | 0.55% | 0.15% | 0.01% | 0.43% | -0.11% | -3.94%\*\*\* | 1.65%\*\* | -4.09%\*\*\* | 0.42% | -1.38%\*\* | 1.01% |
|  | (0.908) | (0.428) | (0.822) | (0.983) | (0.525) | (0.877) | (0.000) | (0.018) | (0.000) | (0.538) | (0.046) | (0.141) |
| Israel | 0.14% | -0.56% | 3.03%\*\*\* | -2.14%\* | 3.05%\*\*\* | 1.21% | -2.86%\*\* | 0.98% | -0.84% | -0.77% | 0.87% | 0.28% |
|  | (0.900) | (0.624) | (0.008) | (0.063) | (0.008) | (0.291) | (0.013) | (0.388) | (0.461) | (0.499) | (0.444) | (0.802) |
| Canada | 0.16% | 0.34% | -0.45% | -0.30% | 0.41% | -0.48% | -0.60% | 0.01% | -0.80%\*\* | 0.02% | -0.33% | 0.27% |
|  | (0.680) | (0.389) | (0.247) | (0.452) | (0.288) | (0.224) | (0.128) | (0.990) | (0.044) | (0.956) | (0.395) | (0.488) |
| Australia | 0.26% | -0.76% | 1.40% | -0.48% | 0.03% | -2.03%\*\* | -4.13%\*\*\* | 0.60% | -1.20% | 0.06% | -0.29% | -0.35% |
|  | (0.766) | (0.384) | (0.109) | (0.587) | (0.975) | (0.022) | (0.000) | (0.490) | (0.173) | (0.941) | (0.739) | (0.691) |
| Netherlands | 0.45% | -0.34% | -0.31% | -0.16% | 0.25% | 0.83% | -1.82%\*\*\* | 0.73% | -2.03%\*\*\* | 0.48% | -0.20% | 0.38% |
|  | (0.476) | (0.595) | (0.620) | (0.797) | (0.692) | (0.190) | (0.005) | (0.251) | (0.002) | (0.448) | (0.754) | (0.549) |
| Switzerland | 0.87% | -0.25% | -0.45% | -0.25% | -0.31% | -0.24% | -1.04% | 0.50% | -1.42%\*\* | 1.47%\*\* | -0.73% | 0.06% |
|  | (0.195) | (0.705) | (0.502) | (0.711) | (0.644) | (0.726) | (0.121) | (0.454) | (0.037) | (0.031) | (0.275) | (0.927) |
| Norway | 0.58% | -0.14% | -0.18% | -0.30% | -0.21% | -0.67% | -2.65%\*\*\* | 0.98% | -3.88%\*\*\* | -0.50% | -0.17% | 0.73% |
|  | (0.513) | (0.875) | (0.841) | (0.735) | (0.810) | (0.455) | (0.004) | (0.274) | (0.000) | (0.578) | (0.850) | (0.415) |
| Denmark | -0.42% | -0.15% | -0.11% | -0.23% | -0.88% | 1.53%\* | -1.46%\* | 1.33% | -1.53%\* | -0.38% | -0.77% | 0.52% |
|  | (0.610) | (0.858) | (0.896) | (0.783) | (0.291) | (0.069) | (0.081) | (0.112) | (0.069) | (0.652) | (0.357) | (0.528) |
| Singapore | -0.73% | -0.27% | 0.13% | 0.20% | -0.64% | -0.38% | -1.47%\*\* | -0.22% | 1.38%\*\* | -0.72% | 0.84% | -1.50%\*\* |
|  | (0.267) | (0.687) | (0.843) | (0.762) | (0.327) | (0.570) | (0.027) | (0.733) | (0.039) | (0.276) | (0.201) | (0.024) |
| Belgium | -0.84% | 0.03% | -0.24% | -0.17% | -0.09% | -0.15% | -2.14%\*\*\* | 1.40%\*\* | -2.14%\*\*\* | -0.04% | -1.10%\* | 0.41% |
|  | (0.168) | (0.954) | (0.693) | (0.779) | (0.881) | (0.804) | (0.001) | (0.023) | (0.001) | (0.944) | (0.071) | (0.496) |
| Sweden | -0.30% | 0.74% | 0.20% | 0.08% | 0.17% | 0.62% | -1.34% | 0.74% | -3.40%\*\*\* | 0.44% | -1.37% | 0.96% |
|  | (0.718) | (0.386) | (0.814) | (0.923) | (0.843) | (0.467) | (0.115) | (0.379) | (0.000) | (0.608) | (0.106) | (0.256) |
| Hong Kong | -1.38% | -0.24% | -0.21% | 0.01% | -2.62% | -0.33% | 1.89% | -2.98% | 1.81% | -2.61% | 1.66% | -3.27% |
|  | (0.494) | (0.906) | (0.917) | (0.995) | (0.194) | (0.870) | (0.350) | (0.143) | (0.375) | (0.200) | (0.412) | (0.107) |
| Ireland | 1.73%\*\* | -0.35% | 1.09% | 0.98% | -0.27% | -0.20% | -3.20%\*\*\* | 1.64%\*\* | -3.06%\*\*\* | 1.30%\* | -1.66%\*\* | 1.43%\* |
|  | (0.020) | (0.639) | (0.141) | (0.189) | (0.713) | (0.787) | (0.000) | (0.029) | (0.000) | (0.082) | (0.026) | (0.054) |
| Note: p-values in parentheses and \*\*\* p-value < .01, \*\* p-value <.05, \* p-value <.1 | | | | | | | | | | | | | |

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| Table 4: Abnormal returns of Developing Economies | | | |  |  |  |  |  |  |  |  |  |
| SECURITY | t-6 | t-5 | t-4 | t-3 | t-2 | t-1 | t+1 | t+2 | t+3 | t+4 | t+5 | t+6 |
|  |  |  |  |  |  |  |  |  |  |  |  |  |
| China | -0.19% | 0.30% | -0.31% | -1.09% | -0.15% | -0.20% | 1.14% | -0.90% | 0.57% | -1.34% | 0.70% | -0.65% |
|  | (0.829) | (0.727) | (0.718) | (0.214) | (0.863) | (0.819) | (0.190) | (0.300) | (0.511) | (0.124) | (0.423) | (0.456) |
| India | -0.87% | 1.40%\* | 0.69% | -0.54% | 0.92% | -0.76% | -1.46%\* | -0.65% | -0.46% | 0.03% | 0.70% | -0.67% |
|  | (0.242) | (0.061) | (0.351) | (0.466) | (0.212) | (0.305) | (0.050) | (0.383) | (0.539) | (0.965) | (0.346) | (0.365) |
| South Korea | 0.90% | -0.23% | 1.15% | 0.34% | -1.31% | -0.25% | 0.76% | -2.86%\*\* | 1.58% | -0.45% | 0.88% | -0.91% |
|  | (0.411) | (0.837) | (0.297) | (0.761) | (0.234) | (0.821) | (0.490) | (0.011) | (0.155) | (0.681) | (0.426) | (0.409) |
| Russia | -1.26% | 0.39% | 0.85% | 0.35% | -0.10% | 0.09% | -0.22% | 0.65% | -0.98% | -0.55% | 2.94%\*\*\* | 2.93%\*\*\* |
|  | (0.126) | (0.635) | (0.301) | (0.671) | (0.905) | (0.917) | (0.790) | (0.433) | (0.240) | (0.509) | (0.001) | (0.001) |
| Brazil | -0.92% | 0.67% | 0.89% | -0.44% | 2.27% | -1.38% | -0.43% | -0.06% | -0.24% | 0.89% | -1.37% | -0.93% |
|  | (0.509) | (0.631) | (0.522) | (0.752) | (0.105) | (0.329) | (0.758) | (0.967) | (0.866) | (0.527) | (0.327) | (0.506) |
| Mexico | -0.47% | 0.95% | -0.62% | -1.06% | 0.59% | 0.57% | 0.60% | -1.02% | -0.66% | 0.21% | -0.86% | 0.78% |
|  | (0.607) | (0.304) | (0.502) | (0.256) | (0.519) | (0.542) | (0.517) | (0.269) | (0.478) | (0.823) | (0.350) | (0.395) |
| Indonesia | 0.18% | -0.77% | -0.08% | -0.37% | 0.20% | 0.56% | 0.43% | -2.23%\*\*\* | 0.01% | -1.07% | 1.83%\*\*\* | -1.03% |
|  | (0.792) | (0.262) | (0.906) | (0.594) | (0.771) | (0.421) | (0.525) | (0.002) | (0.994) | (0.123) | (0.009) | (0.134) |
| Turkey | -1.52% | -1.46% | 3.05% | -0.28% | 0.75% | 0.04% | -1.37% | -2.65% | -1.76% | 1.57% | -2.00% | -3.60% |
|  | (0.565) | (0.584) | (0.250) | (0.916) | (0.777) | (0.989) | (0.606) | (0.320) | (0.509) | (0.555) | (0.453) | (0.177) |
| Poland | -2.17%\*\* | 0.18% | 1.36% | -0.08% | 0.20% | -0.24% | -2.22%\*\* | -0.45% | -2.13%\*\* | -0.90% | -0.93% | -0.34% |
|  | (0.029) | (0.857) | (0.167) | (0.933) | (0.836) | (0.809) | (0.026) | (0.651) | (0.034) | (0.364) | (0.347) | (0.731) |
| Thailand | -0.50% | -0.53% | 0.33% | 0.53% | -0.36% | 0.25% | -1.61%\*\*\* | -3.29%\*\*\* | 2.82%\*\*\* | -0.83% | 0.66% | -0.61% |
|  | (0.312) | (0.289) | (0.510) | (0.291) | (0.471) | (0.612) | (0.002) | (0.000) | (0.000) | (0.101) | (0.187) | (0.220) |
| Argentina | -3.54% | -0.09% | 2.20% | -2.32% | 1.28% | -1.13% | -5.07%\*\* | -3.20% | -4.71%\*\* | 4.95%\*\* | -0.87% | -1.25% |
|  | (0.130) | (0.968) | (0.345) | (0.324) | (0.580) | (0.631) | (0.032) | (0.171) | (0.047) | (0.037) | (0.710) | (0.592) |
| South Africa | -1.76%\* | 0.12% | 0.36% | 0.49% | -1.21% | 0.52% | -1.22% | -1.15% | -2.45%\*\* | -0.65% | -0.42% | 2.14%\*\* |
|  | (0.097) | (0.913) | (0.735) | (0.647) | (0.252) | (0.624) | (0.251) | (0.279) | (0.023) | (0.541) | (0.688) | (0.045) |
| Philippines | 0.14% | 0.37% | 0.15% | 0.47% | 0.02% | -1.58% | -0.76% | -2.45%\*\* | 1.09% | -1.07% | 0.95% | -0.39% |
|  | (0.909) | (0.762) | (0.903) | (0.701) | (0.989) | (0.201) | (0.535) | (0.047) | (0.374) | (0.381) | (0.437) | (0.747) |
| Malaysia | 0.34% | -0.25% | -0.07% | 0.56% | -0.25% | -0.22% | -0.72% | -2.06%\*\*\* | 0.86% | -0.99% | 1.51%\*\* | -0.75% |
|  | (0.642) | (0.737) | (0.928) | (0.457) | (0.731) | (0.767) | (0.328) | (0.006) | (0.252) | (0.184) | (0.043) | (0.308) |
| Saudi Arabia | 0.99% | 1.35% | 0.51% | 0.56% | -0.41% | 0.82% | -0.52% | -0.85% | -1.24% | -0.66% | 2.07%\*\* | 0.71% |
|  | (0.229) | (0.105) | (0.531) | (0.499) | (0.620) | (0.323) | (0.525) | (0.302) | (0.136) | (0.423) | (0.013) | (0.388) |
| UAE | 0.18% | 0.44% | 0.95% | -0.46% | 0.00% | -0.81% | -0.67% | -1.70%\*\* | -0.62% | -0.83% | 2.24%\*\*\* | -1.04% |
|  | (0.787) | (0.519) | (0.165) | (0.503) | (1.000) | (0.240) | (0.325) | (0.015) | (0.368) | (0.231) | (0.002) | (0.130) |
| Note: p-values in parentheses and \*\*\* p-value < .01, \*\* p-value <.05, \* p-value <.1 | | | | | | | | | | | | |

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| Table 5: AAR and CAAR’s of different samples | | |  |  |  |  |  |  |  |  |  |  |  |
|  | t-6 | t-5 | t-4 | t-3 | t-2 | t-1 | t | t+1 | t+2 | t+3 | t+4 | t+5 | t+6 |
| Panel A: Developed countries | | |  |  |  |  |  |  |  |  |  |  |  |
| AAR | 0.07% | 0.02% | 0.28% | -0.09% | 0.02% | 0.05% | -0.75% | -1.85%\*\*\* | 0.51% | -1.63%\* | 0.05% | -0.37% | 0.10% |
| p-value | (0.689) | (0.866) | (0.627) | (0.799) | (0.793) | (0.993) | (0.115) | (0.005) | (0.143) | (0.051) | (0.554) | (0.204) | (0.530) |
| CAAR | 0.07% | 0.09% | 0.37% | 0.28% | 0.30% | 0.35% | -0.40% | -2.24%\*\* | -1.73% | -3.36%\*\* | -3.30%\*\* | -3.67%\*\* | -3.57%\*\* |
| p-value | (0.689) | (0.632) | (0.501) | (0.632) | (0.614) | (0.667) | (0.715) | (0.044) | (0.143) | (0.031) | (0.043) | (0.033) | (0.037) |
| Panel B: Developing Economies | | |  |  |  |  |  |  |  |  |  |  |  |
| AAR | -0.65% | 0.18% | 0.72%\*\* | -0.21% | 0.16% | -0.23% | -1.01%\*\*\* | -0.82% | -1.55%\*\* | -0.51% | -0.09% | 0.51% | -0.34% |
| p-value | (0.236) | (0.508) | (0.037) | (0.721) | (0.897) | (0.621) | - | (0.163) | (0.019) | (0.853) | (0.250) | (0.179) | (0.701) |
| CAAR | -0.65% | -0.47% | 0.25% | 0.04% | 0.20% | -0.03% | -1.04% | -1.86% | -3.41%\*\* | -3.91%\*\*\* | -4.01%\*\*\* | -3.49%\*\* | -3.83%\*\* |
| p-value | (0.236) | (0.645) | (0.597) | (0.769) | (0.720) | (0.895) | (0.274) | (0.114) | (0.019) | (0.004) | (0.001) | (0.032) | (0.049) |
| Panel C: North America | |  |  |  |  |  |  |  |  |  |  |  |  |
| AAR | 0.29%\* | 0.24% | -0.27% | -0.11% | 0.37%\*\*\* | -0.43%\*\*\* | -0.24% | -0.03% | 0.38% | 0.00% | 0.20% | -0.29%\*\*\* | 0.25%\*\*\* |
| p-value | (0.075) | (0.122) | (0.311) | (0.653) | (0.000) | (0.000) | (0.673) | (0.928) | (0.474) | (0.962) | (0.422) | (0.000) | (0.000) |
| CAAR | 0.29%\* | 0.54%\*\*\* | 0.26% | 0.15% | 0.52% | 0.09% | -0.14% | -0.17% | 0.21% | 0.21% | 0.41% | 0.12% | 0.37% |
| p-value | (0.075) | 0.000) (0.000) | (0.378) | (0.823) | (0.273) | (0.908) | (0.867) | (0.891) | (0.975) | (0.995) | (0.956) | (0.983) | (0.966) |
| Panel D: Europe |  |  |  |  |  |  |  |  |  |  |  |  |  |
| AAR | 0.02% | 0.03% | 0.13% | 0.04% | -0.04% | 0.19% | -0.98%\*\* | -2.32%\*\*\* | 0.98%\* | -2.74%\*\*\* | 0.38% | -0.94%\*\* | 0.60% |
| p-value | (0.939) | (0.961) | (0.871) | (0.875) | (0.942) | (0.746) | (0.042) | (0.009) | (0.054) | (0.005) | (0.493) | (0.025) | (0.122) |
| CAAR | 0.02% | 0.05% | 0.18% | 0.22% | 0.18% | 0.37% | -0.60% | -2.93%\* | -1.95% | -4.69%\*\* | -4.31%\* | -5.25%\*\* | -4.66%\*\* |
| p-value | (0.939) | (0.910) | (0.858) | (0.856) | (0.881) | (0.780) | (0.709) | (0.068) | (0.229) | (0.023) | (0.061) | (0.025) | (0.049) |
| Panel E: Asia |  |  |  |  |  |  |  |  |  |  |  |  |  |
| AAR | -0.32% | -0.08% | 0.81%\*\* | -0.15% | 0.01% | -0.21% | -0.67% | -0.81% | -1.44%\* | 0.36% | -0.68%\*\*\* | 0.90%\*\* | -0.84% |
| p-value | (0.308) | (0.917) | (0.045) | (0.755) | (0.967) | (0.588) | (0.199) | (0.154) | (0.060) | (0.433) | (0.005) | (0.013) | (0.225) |
| CAAR | -0.32% | -0.40% | 0.41% | 0.26% | 0.26% | 0.06% | -0.61% | -1.42% | -2.86%\*\* | -2.50%\*\*\* | -3.18%\*\*\* | -2.28%\*\* | -3.12%\*\* |
| p-value | (0.308) | (0.405) | (0.522) | (0.638) | (0.719) | (0.941) | (0.548) | (0.104) | (0.025) | (0.003) | (0.001) | (0.029) | (0.045) |
| Panel F: Latin America | |  |  |  |  |  |  |  |  |  |  |  |  |
| AAR | -1.63%\*\* | 0.51% | 0.83% | -1.27%\*\* | 1.38%\* | -0.64% | -2.09%\*\* | -1.60% | -1.42% | -1.85% | 2.04% | -1.03%\*\*\* | -0.46% |
| p-value | (0.046) | (0.269) | (0.668) | (0.025) | (0.057) | (0.674) | (0.018) | (0.607) | (0.150) | (0.219) | (0.229) | (0.007) | (0.867) |
| CAAR | -1.63%\*\* | -1.12% | -0.29% | -1.56% | -0.18% | -0.82% | -2.91% | -4.52% | -5.93% | -7.78% | -5.75% | -6.78% | -7.24% |
| p-value | (0.046) | (0.646) | (0.824) | (0.235) | (0.987) | (0.787) | (0.308) | (0.416) | (0.321) | (0.295) | (0.326) | (0.170) | (0.191) |
| Panel G: Middle East and Africa | | |  |  |  |  |  |  |  |  |  |  |  |
| AAR | -0.19% | 0.64% | 0.61%\* | 0.20% | -0.54% | 0.18% | -0.57%\*\*\* | -0.80%\*\*\* | -1.23%\*\* | -1.43%\*\*\* | -0.71%\*\*\* | 1.30% | 0.61% |
| p-value | (0.953) | (0.164) | (0.051) | (0.772) | (0.197) | (0.904) | (0.001) | (0.000) | (0.011) | (0.003) | (0.000) | (0.210) | (0.733) |
| CAAR | -0.19% | 0.45% | 1.06% | 1.25% | 0.71% | 0.89% | 0.32% | -0.49% | -1.72% | -3.15% | -3.87% | -2.56% | -1.95% |
| p-value | (0.953) | (0.652) | (0.399) | (0.355) | (0.587) | (0.592) | (0.806) | (0.900) | (0.505) | (0.244) | (0.142) | (0.519) | (0.573) |
| Note: p-values in parentheses and \*\*\* p-value < .01, \*\* p-value <.05, \* p-value <.1 | | | | | | | | | | | | | |

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| Table 6: BHAAR’s of different samples | | |  |  |  |  |  |  |  |  |  |  |  |
|  | t-6 | t-5 | t-4 | t-3 | t-2 | t-1 | t | t+1 | t+2 | t+3 | t+4 | t+5 | t+6 |
| Panel A: Developed countries | |  |  |  |  |  |  |  |  |  |  |  |  |
| AAR | 0.06% | 0.02% | 0.28% | -0.10% | 0.02% | 0.05% | -0.75%\*\* | -1.85%\*\*\* | 0.51% | -1.63%\*\*\* | 0.05% | -0.37% | 0.10% |
| p-value | (0.855) | (0.958) | (0.412) | (0.781) | (0.952) | (0.893) | (0.032) | (0.000) | (0.140) | (0.000) | (0.882) | (0.280) | (0.775) |
| CAAR | 0.06% | 0.08% | 0.36% | 0.26% | 0.29% | 0.33% | -0.42% | -2.27%\*\* | -1.76% | -3.39%\*\*\* | -3.34%\*\*\* | -3.71%\*\*\* | -3.61%\*\*\* |
| p-value | (0.855) | (0.869) | (0.548) | (0.702) | (0.714) | (0.699) | (0.656) | (0.026) | (0.103) | (0.004) | (0.006) | (0.004) | (0.007) |
| Panel B: Developing Economies | | |  |  |  |  |  |  |  |  |  |  |  |
| AAR | -0.66% | 0.17% | 0.71% | -0.21% | 0.15% | -0.24% | -1.01%\*\* | -0.83%\* | -1.55%\*\*\* | -0.51% | -0.10% | 0.50% | -0.35% |
| p-value | (0.130) | (0.690) | (0.101) | (0.625) | (0.726) | (0.586) | (0.022) | (0.057) | (0.001) | (0.242) | (0.822) | (0.244) | (0.422) |
| CAAR | -0.66% | -0.48% | 0.23% | 0.02% | 0.17% | -0.07% | -1.08% | -1.91% | -3.47%\*\* | -3.98%\*\*\* | -4.08%\*\*\* | -3.57%\*\* | -3.92%\*\* |
| p-value | (0.130) | (0.433) | (0.763) | (0.986) | (0.866) | (0.948) | (0.361) | (0.135) | (0.012) | (0.007) | (0.008) | (0.027) | (0.020) |
| Panel C: North America | |  |  |  |  |  |  |  |  |  |  |  |  |
| AAR | 0.29% | 0.24% | -0.27% | -0.11% | 0.37% | -0.42% | -0.24% | -0.03% | 0.38% | 0.00% | 0.20% | -0.29% | 0.25% |
| p-value | (0.392) | (0.485) | (0.426) | (0.750) | (0.286) | (0.221) | (0.492) | (0.924) | (0.269) | (0.994) | (0.559) | (0.392) | (0.468) |
| CAAR | 0.29% | 0.53% | 0.26% | 0.15% | 0.52% | 0.09% | -0.15% | -0.18% | 0.20% | 0.20% | 0.41% | 0.11% | 0.36% |
| p-value | (0.392) | (0.277) | (0.665) | (0.828) | (0.509) | (0.915) | (0.877) | (0.860) | (0.851) | (0.858) | (0.735) | (0.929) | (0.784) |
| Panel D: Europe |  |  |  |  |  |  |  |  |  |  |  |  |  |
| AAR | 0.02% | 0.03% | 0.13% | 0.04% | -0.04% | 0.19% | -0.98%\*\* | -2.32%\*\*\* | 0.98%\*\* | -2.74%\*\*\* | 0.37% | -0.95%\* | 0.60% |
| p-value | (0.973) | (0.946) | (0.797) | (0.934) | (0.935) | (0.698) | (0.049) | (0.000) | (0.048) | (0.000) | (0.445) | (0.055) | (0.222) |
| CAAR | 0.02% | 0.05% | 0.17% | 0.22% | 0.18% | 0.37% | -0.61% | -2.94%\*\* | -1.96% | -4.70%\*\*\* | -4.33%\*\* | -5.27%\*\*\* | -4.68%\*\* |
| p-value | (0.973) | (0.943) | (0.838) | (0.827) | (0.874) | (0.765) | (0.647) | (0.043) | (0.201) | (0.005) | (0.013) | (0.004) | (0.014) |
| Panel E: Asia |  |  |  |  |  |  |  |  |  |  |  |  |  |
| AAR | -0.33% | -0.08% | 0.80%\* | -0.15% | 0.00% | -0.21% | -0.67% | -0.81%\* | -1.45%\*\*\* | 0.36% | -0.69% | 0.89%\*\* | -0.85%\* |
| p-value | (0.451) | (0.848) | (0.070) | (0.730) | (0.998) | (0.633) | (0.130) | (0.067) | (0.001) | (0.419) | (0.121) | (0.045) | (0.054) |
| CAAR | -0.33% | -0.42% | 0.38% | 0.23% | 0.23% | 0.02% | -0.65% | -1.46% | -2.91%\*\* | -2.55%\* | -3.24%\*\* | -2.35% | -3.20%\* |
| p-value | (0.451) | (0.508) | (0.618) | (0.795) | (0.816) | (0.984) | (0.588) | (0.260) | (0.037) | (0.083) | (0.037) | (0.147) | (0.060) |
| Panel F: Latin America | |  |  |  |  |  |  |  |  |  |  |  |  |
| AAR | -1.64% | 0.50% | 0.83% | -1.28% | 1.38% | -0.65% | -2.10%\* | -1.61% | -1.43% | -1.86% | 2.04%\* | -1.04% | -0.47% |
| p-value | (0.154) | (0.663) | (0.472) | (0.272) | (0.232) | (0.574) | (0.072) | (0.162) | (0.215) | (0.111) | (0.080) | (0.367) | (0.684) |
| CAAR | -1.64% | -1.14% | -0.31% | -1.59% | -0.22% | -0.87% | -2.97% | -4.58% | -6.01%\* | -7.87%\*\* | -5.83% | -6.87% | -7.34%\* |
| p-value | (0.154) | (0.487) | (0.876) | (0.495) | (0.935) | (0.764) | (0.347) | (0.179) | (0.098) | (0.042) | (0.149) | (0.107) | (0.099) |
| Panel G: Middle East and Africa | | |  |  |  |  |  |  |  |  |  |  |  |
| AAR | -0.19% | 0.63% | 0.61% | 0.19% | -0.54% | 0.18% | -0.57% | -0.81% | -1.23%\*\* | -1.43%\*\* | -0.71% | 1.30%\*\* | 0.61% |
| p-value | (0.738) | (0.280) | (0.299) | (0.741) | (0.352) | (0.764) | (0.329) | (0.168) | (0.036) | (0.016) | (0.223) | (0.027) | (0.295) |
| CAAR | -0.19% | 0.44% | 1.05% | 1.24% | 0.70% | 0.87% | 0.30% | -0.51% | -1.74% | -3.18% | -3.89%\* | -2.59% | -1.98% |
| p-value | (0.738) | (0.597) | (0.307) | (0.295) | (0.599) | (0.551) | (0.851) | (0.768) | (0.341) | (0.104) | (0.059) | (0.229) | (0.378) |
| Note: p-values in parentheses and \*\*\* p-value < .01, \*\* p-value <.05, \* p-value <.1 | | | | | | | | | | | | | |

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| Figure 2:Country wise cummulative average abnormal returns |

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