

THE EFFECT OF THE FAILURE OF A FINANCIAL INSTITUTION  
ON THE CONTINUITY OF BUSINESS TRANSACTIONS

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《SUMMARY》

This paper analyzes the impact of the 1997 bankruptcy of Hokkaido Takushoku Bank on the continuity of business relationships between customer and supplier firms. As a result of the analysis, it was confirmed that the probability of the disruption of the business relationship was significantly higher for pairs whose customer firms' main bank was Hokkaido Takushoku Bank. The same effect was also found for second-tier customer firms and third-tier customer firms that do not directly transact with the supplier firm but use Hokkaido Takushoku Bank as their main bank.

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