\mathbb{R}^2 0	Observations	Hausman test P-value 0		Regional Bank 2		Long-Term Credit 1		Trust Bank 0	Assets (1	Real Estate Loans -(Assets (1	C&I Loans 0		Nonperforming Loans 0		Log(Asset) 1		Employment Growth 0	Investment (4	Foreign Direct 0		Land Price 0	Capital Ratio (6	Parent Risk-Based 1		Constant -3	Dependent Variable /			Determinants of subanese Denormal in the emice battes, e.s.
0.387	370	0.812	(0.97)	2.553	(1.05)	1.540	(0.27)	0.357	(1.11)	-0.054	(1.37)	0.045	(0.19)	0.020	(1.38)	1.237	(2.03)	0.553*	(4.08)	0.081	(7.56)	0.380**	(6.58)	1.928**	(2.18)	-34.473*	Asset StAsset	Components	Variance	Servering in the
0.408	370	-		ı		ı		ı	(1.20)	-0.108	(1.46)	0.081	(0.47)	0.060	(0.41)	-0.995	(1.77)	0.526	(3.11)	0.071**	(5.70)	0.341**	(5.02)	1.912**		ı	Asset StAsset	AT con ACtT con	Fixed Effects	o cinica saico, c
0.406	370	0.729	(0.81)	2.134	(0.87)	1.296	(0.17)	-0.223	(1.40)	-0.068	(1.43)	0.047	(0.17)	0.018	(1.31)	1.178	(1.42)	0.383	(4.88)	0.095**	(6.42)	**0.320	(7.53)	2.189**	(2.25)	-35.768**	Asset	Components	Variance	.b. bimicites, 1707:1 to 1775:2
0.294	370	0.812	(0.34)	-0.649	(2.41)	2.546*	(0.70)	-0.677	(0.11)	0.004	(1.86)	-0.044	(1.91)	-0.286	(0.67)	0.432	(0.85)	0.171	(4.63)	0.070**	(5.52)	0.197**	(3.68)	0.792**	(0.85)	-9.827	Asset StAsset	Components	Variance	11.00 10.001
0.318	370	1		1		ı		ı	(0.24)	0.016	(2.58)	-0.103**	(1.32)	-0.223	(0.57)	-1.008	(0.60)	0.132	(4.04)	0.071**	(4.91)	0.208**	(2.89)	0.819**		ı	Asset StAsset		Fixed Effects	-
0.294	370	0.775	(0.46)	-0.884	(2.30)	2.448*	(0.88)	-0.852	(0.04)	-0.002	(1.84)	-0.044	(2.00)	-0.299*	(0.55)	0.362	(0.08)	0.016	(5.22)	0.080**	(4.67)	0.167**	(3.79)	0.819**	(0.76)	-8.823	Asset	Components	Variance	

Determinants of Jap	Determinants of Japanese Lending in the United States, U.S. Branches, 1989:1 to 1995:2	ne United States, U	J.S. Branches, 1989	9:1 to 1995:2		
SSR	13866	13392	13573	7577	7328	7603
SER	6.482	6.37	6.413	4.792	4.712	4.8

able 2

nonperforming C&I loans as a share of total C&I loans are used in the last three columns. Absolute values of t-statistics are in parentheses. Note: The data are semiannual observations for March and September. Independent variables are measured as of the beginning of the period. The land price series is the commercial land index for all urban districts and is measured relative to its peak in Spetember 1991. Foreign direct investment and employment growth are measured over the prior six-month period. Nonperforming loans as a share of total loans are used in the first three columns and

^{*} Significant at the 5 percent level.

^{**}Significant at the 1 percent level.

Ohearvations	Regional Bank	Bank	Long-tei		Trust Bank	Assets	Real Est	Assets	C&I Loans	$\begin{bmatrix} Loans \\ L \end{bmatrix}$	Nonperforming		Log(asset)	Growth	Employment		Investment	Foreign Direct		Land Price	Capitai N auo	Capital	Doront D	Capital	Change	Constant	1			Depende		Estimati	Alternativ Two-Stag
tions	l Bank		Long-term Credit		ınk	0.	Real Estate Loans		ans	Loans	orming		¥)		ment		ent	Direct		ce	Nauo	Paretti Nisk-Daseu	Assets		Change in Parent	†				Dependent Variable		Estimation Method	tive Methods age Least Squ
2/18	(0.72)	(1.22)	1.402	(0.02)	-0.020	(1.61)	-0.066	(1.00)	0.028	(0.33)	-0.035	(1.31)	0.946	(1.78)	0.482	,	(4.57)	0.104**	(8.33)	0.426**	(0.00)	1.829	1 020	(1.58)	-0.710	-26.992* (2.06)		StAsset	Asset	<u>ALoan</u> -		2SLS	Alternative Methods of Estimating Determinants of Japanese Lending in the United States - Two-Stage Least Squares Estimation Instrumenting for Change in Parent Capital
2/8	,		ı		1	(1.10)	-0.108	(1.26)	0.068	(0.42)	0.052	(1.75)	-4.720	(1.27)	0.365	,	_	** 0.101**	(6.52)		(3.02)			(1.88)	-0.876	ı	StAsset	Asset	$\Delta StLoan$	Effects	Fixed-	2SLS,	Determinants of Instrumenting
2/8	(0.03)	(2.20)	1.868*	(0.93)	-0.727	(0.23)	-0.007	(1.91)	-0.040	(1.42)	-0.110	(1.31)	0.703	(1.21)	0.245	(4.55)	077		207** (5.46)		(3.07)			(1.42)	-0.473	-12.740 (1.31)		StAsset	Asset	<u>∆CI</u> -		2SLS	Japanese Len for Change in
2/0	ı		ı		1	(0.80)	0.058	(2.83)	-0.114**	(1.10)	-0.102	(0.49)	-0.976	(0.86)	0.184	,	(4.78)	0.084**	(5.52)	0.236**	(2.43)	0.773	0 772*	(1.54)	-0.536	1	StAsset	Asset	AStCI	Effects	Fixed-	2SLS,	ding in the Un n Parent Capita
5	-0.491 (0.22)	(1.15)	1.394	(2.54)	2.593*	(3.11)	-0.131**	(0.46)	* 0.014	(0.81)	-0.089	(0.27)	-0.196	(3.49)	0.960*	,		** 0.093**	(8.81)			1		(2.98)	-1.336**	10.185 (0.84)		StAsset	Asset	<u>Moan</u> -		2SLS	ted States - B
2	ı		1		1	(3.26)		(1.12)	0.062	(0.37)	(4.94) 0.047	85 <u>8</u> **	1	(1.67)	* 0.490	,		* 0 085**	(5.92)			1			* -1.319**	ı	StAsset	Asset	AStLoan	Effects	Fixed-	2SLS,	ranches
340	-0.702 (0.45)	(2.16)	1.863*	(0.34)	0.248	(1.05)	* -0.032	(2.15)	-0.046*	(1.66)	-0.131	(0.52)	0.273	(2.15)	0.422*	(4.28)	073		224** (5.89)			1		(2.29)	* -0.732*	1.223 (0.14)		StAsset	Asset	$\frac{\Delta CI}{\Delta CI}$ -		2SLS	
2/8	1		ı		ı	(0.43)	-0.028	(2.87)	-0.117**	(1.11)	-0.104	(2.43)	-3.918*	(1.11)	0.239	,	(4.35)	0.077**	(5.20)	0.222*		1		(2.50)	-0.793*	1	StAsset	Asset	AStCI	Effects	Fixed-	2SLS,	

. The land	of the period. The lar	of the beginning	ndependent variables are measured as of	pendent variables	eptember. Inde	d observations for March and September.	Note: The data are semiannual observations for March and September. Independent variables are measured as of	Note: The
4.451	4.45	6.063	6.244	4.406	4.392	5.917	5.92	SER
6161	6653	11431	13098	6017	6463	10853	11740	SSR
0.29	0.233	0.413	0.328	0.306	0.255	0.443	0.397	R ²

price series is the commercial land index for all urban districts and is measured relative to its peak in September 1991. Foreign direct investment and employment growth are measured over the prior six-month period. Nonperforming loans as a share of total loans are used in columns 1, 2, 5, and 6, and nonperforming C&I loans as a share of total C&I loans are used in columns 3, 4, 7, and 8. The set of instruments for the change in parent capital include its own lagged value, changes in hidden reserves, the percentage changes in the Nikkei stock price index, the exchange rate and land prices, and dummy variables for changes in the ratings of long-term and short-term debt, as well as each of the other explanatory variables. Absolute values of t-statistics are in parentheses.

*Significant at 5 percent level.

**Significant at 1 percent level. ZZZZ