

A Theoretical and Empirical Examination of the Credit View: From the Viewpoint of Bank Lending Behavior

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Taking Japanese banks as the object of analysis, the purpose of this paper is twofold. One is examining the credit view theoretically and empirically from the viewpoint of bank lending behavior; and the other is identifying the determinants and providing a fuller description of the major characteristics of bank lending behavior. The following two points are the special features of this paper. Theoretically, it develops a fairly complete bank-behavior model in which information-acquiring costs are incorporated to illustrate coherently the framework of the credit view, and to build a micro-foundation for the credit view from the perspective of bank lending behavior, which can be perceived as a necessary complement to the credit view. Empirically, by using macro-data and micro-data, it conducts a comprehensive empirical analysis (dividing sample banks by size and classifying borrowers by size and industry) about Japanese banks' lending behavior along the framework of the credit view, through which new pieces of evidence for the credit view are obtained.