


[Home](#) > [Journal of International Banking Regulations](#) > [Article](#)

Off-balance-sheet credit risk of the top 20 Japanese banks

| Paper | Published: 01 September 2003

| Volume 5, pages 57–71 (2003) [Cite this article](#)[Save article](#)[View saved research](#) >[Journal of International Banking](#)[Regulations](#)[Aims and scope](#) →[Submit manuscript](#) →[Dara Khambata](#) ¹ & [Rajesh R Bagdi](#)¹ **72** Accesses  **15** Citations [Explore all metrics](#) →

Abstract

The study of off-balance-sheet (OBS) credit risk across the top 20 Japanese banks indicated that financial derivatives were heavily used by the top four banks and that loan commitments are the largest source of credit risk among traditional OBS instruments. The notional amounts of derivative contracts make up 92 per cent of total OBS activities. There is a wide difference across the banks in the use of derivative leverage. As compared to the US and European banks, Japanese banks use fewer OBS instruments as a percentage of their assets. This implies that Japanese banks are more conservative and risk averse in general than their US or European counterparts, especially given the bad financial condition of the banks and Japan.



This is a preview of subscription content, [log in via an institution](#) to check access.

Access this article

[Log in via an institution](#) →

Subscribe and save

✔ Springer+

from €37.37 /Month

- Starting from 10 chapters or articles per month
- Access and download chapters and articles from more than 300k books and 2,500 journals
- Cancel anytime

[View plans](#) →

Buy Now

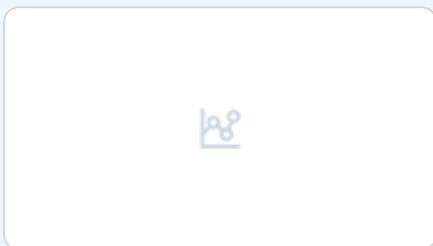
[Buy article PDF 39,95 €](#)

Price includes VAT (Poland)

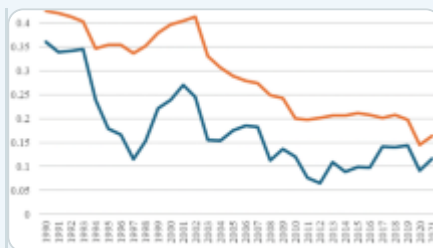
Instant access to the full article PDF.

[Institutional subscriptions](#) →

Similar content being viewed by others

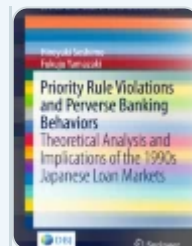


Derivatives use and credit risk in global banking industry: Does bank specialization matter?



Does off-balance sheet exposure reduce on-balance sheet bank liquidity creation? A global banking perspective

Article | Open access



Introduction

Explore related subjects

Discover the latest articles, books and news in related subjects, suggested using machine learning.

[Banking](#)[Financial Econometrics](#)[Financial Law](#)[Quantitative Finance](#)[Risk Factors](#)[Statistical Finance](#)[Corporate Governance and Financial Performance in Japanese Firms](#)

Author information

Authors and Affiliations

Kogod School of Business, American University, 4400 Massachusetts Avenue NW, Washington DC, 20016, USA

Dara Khambata & Rajesh R Bagdi

Corresponding author

Correspondence to [Dara Khambata](#).

Additional information

¹holds the Crown Prince of Bahrain Chair in international finance at the Kogod School of Business at American University in Washington DC. He has published various books including ‘The Practice of Multinational Banking’, ‘The Multinational Enterprise in Transition’ and ‘International Business: Theory and Practice’. His papers include ‘Off-balance-sheet exposure of US Banks’ and ‘Off-balancesheet credit risk of the top 20 European commercial banks’.

²received his MBA in finance from the Kogod School of Business at American University in Washington DC in 2003. His studies focused on international finance, risk management and corporate finance. He worked in the finance and marketing

departments for automobile and chemical companies in India prior to his MBA. He interned at the International Finance Corporation in Washington DC.

Rights and permissions

[Reprints and permissions](#)

About this article

Cite this article

Khambata, D., Bagdi, R. Off-balance-sheet credit risk of the top 20 Japanese banks. *J Bank Regul* **5**, 57–71 (2003). <https://doi.org/10.1057/palgrave.jbr.2340157>

Published

Issue date

01 September 2003

01 September 2003

DOI

<https://doi.org/10.1057/palgrave.jbr.2340157>

Search

Search by keyword or author



Navigation

Find a journal

Publish with us
