



اَوْنُوْرَسِيْتِي تِي كُوْلُوْمِي مَبَارَا
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**THE DETERMINANTS OF BANK LENDING BEHAVIOUR OF LOCAL COMMERCIAL
BANKS IN MALAYSIA**

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ABSTRACT

This research study identifies the determinants of bank lending behavior for the local commercial banks in Malaysia relatively focus on non-performing loan, gross domestic product, bank size, loan provision, capital adequacy ratios and inflation. Motivated by the fact that most of the selected commercial banks have a volatile movement in their loan growth every year, this research will analyze the determinants using a sample of local commercial banks in Malaysia. The analytical method of Pooled ordinary least square (OLS) method through STATA 10.1 software had been used in assisting the result development and generation. Employing a number of econometric estimation approaches for getting a good result, it is found that bank lending behavior is significantly depending on non-performing loan, bank's capital adequacy ratio, size of the bank and macroeconomic factors which is gross domestic product. Upon that, the recommendations and suggestions for the future researcher to conduct further study will be more intriguing.

Key words: bank lending behavior, loan growth, commercial banks, non-performing loan, gross domestic product.