FACTORS AFFECTING LENDING RATES: COMMERCIAL BANKS IN MALAYSIA

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I hope my writing about the factor affecting lending rates in commercial banks of Malaysia can give the readers some information or input about the importance of project management.

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ABSTRACT

This paper is to identify the factors that affecting lending rates of commercial banks in Malaysia from 1998 to 2018 which contains of 100 observations. The issues that have been questioned here is does all this microeconomics variable for five selected commercial banks in Malaysia namely Maybank, Affin Bank, CIMB Bank, Hong Leong Bank and AmBank involved in bringing the affect to lending rates in commercial banks. This paper employs Random Effect Model (REM) in order to get the final result. For the diagnostic checking, there is multicollinearity but have no heteroscedasticity problem. Thus, to eliminate the problems, panel data test is used in this paper. The results indicate that lending rates is consistently have significant relation with loan loss provision, non-performing loan and bank size.