



**UNIVERSITI TEKNOLOGI MARA**

**FACTORS THAT AFFECTING COMMERCIAL BANK  
LENDING IN MALAYSIA**

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Thesis submitted in fulfilment of the requirements for

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**(Hons) (Finance)**

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## AUTHOR'S DECLARATION

I declared that the work in this research paper was carried out in accordance with the regulations of Universiti Teknologi MARA. It is original and is the results of my own work, unless otherwise indicated or acknowledgement as referenced work. This thesis has not submitted to any other academic institution or non - academic for any degree or qualification.

I hereby, acknowledgement that I have been supplied with the Academic Rules and Regulations for Universiti Teknologi MARA, regulating the conduct of my study and research.

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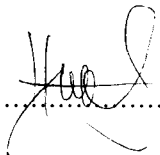
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## ABSTRACT

The purpose of this study is to examine the factors that affect bank lending for local commercial banks in Malaysia listed by Bank Negara Malaysia (BNM): analysis from 1981 to 2016 (36 observations). Public Bank Berhad had been choosing as their industries representatives. Criteria of the chosen bank based on their good performance on providing money to their customer and availability in data collection. This local commercial bank also those who still survive until now to create opportunity on providing financial assistance to any sector in Malaysia throughout any financial crisis faced by banking sector over the year. The studies investigate those various determinants of commercial bank lending in Malaysia based on economic condition and commercial bank performance. On the beginning 1998, the issue reported from the staff team of International Monetary Fund where Malaysia's economic growth under financial sector is slowed and then turned sharply negative. Because of that, IMF creates Danaharta, Danamodal and Corporate Debt Restructuring Committee (CDRC) as strategy to restructure and revitalize the problem. How this problem can relate on the ability for commercial bank to provide a loan? On 2008, International Financial Crisis transmitted a negative impact on Malaysian Gdp growth. May this situation be able to change determinant for commercial bank to lending money? The model used bank total loan (Loan) as dependent variable and other determinants such as gross domestic price (Gdp), inflation rate, lending rate, total deposit, bank size, and cash reserve requirement. This study attempts to look into both impacts internal and external factor that effect on commercial bank lending in order to come out with the better result. Focus of this study is to determine the factor that can affect the ability of the bank itself to provide financial aid to their customer.

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