

LETTER OF SUBMISSION

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Universiti Teknologi MARA Cawangan Terengganu

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Dear Sir/Madam,

SUBMISSION OF PROJECT PAPER (FIN 672)

Attached is the project paper title "FACTORS INFLUENCING BANK LENDING AMONG COMMERCIAL AND ISLAMIC BANKS IN MALAYSIA" to fulfill the requirement as needed by the Faculty of Business Management, Universiti Teknologi MARA.

Thank you.

Yours sincerely,

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ABSTRACT

This study investigates the bank factor effecting bank lending among commercial and Islamic banks in Malaysia using sample of 39 banks covering the period from 2010 to 2019. Also, this study investigates the most determinants influencing the commercial and Islamic banks in Malaysia. In this study, Multiple Regression Analysis Model and Random Effect Model was conducted to study the relationship between bank lending with volume of deposits, size of the bank, gross domestic product and inflation. In the end, Pooled Ordinary Least Square (POLS) were chosen as the findings demonstrate volume of deposit (DEPO), Gross Domestic Product (GDP) and Bank Size (SIZE) are positively influence commercial and Islamic bank lending in Malaysia. With regard to macroeconomic determinant, inflation. This study does not find any conclusive evidence to support the influence of Inflation (INF) on bank lending activities in Malaysia.

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