ANALYSIS FACTORS THAT AFFECT OF INVESTMENT LENDING RATES RIGIDITY IN COMMERCIAL BANKS (PERIOD OF 2007: 01-2014: 12)

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ABSTRACT

The purpose of this research to calculate level of investments lending rates rigidity and analyze factors that affect investment lending rates rigidity. Data used are time-series data to the research period of January 2007 to December 2014. The analysis used in this research is descriptive analysis method quantitatively using a two-stage research. To calculate the level of investment lending rates rigidity calculation method is the degree of pass-through, through the analysis of impulse response function from the VAR (Variance Auto Regresive) estimated between BI rates with investment lending rates. The degree of pass-through that noncomplete used as the dependent variable of investment lending rates rigidity. The level of lending rates rigidity declining investment shows that investment lending rates in commercial banks respons to the smaller of the BI rate changes or adjustments to investment lending rates slower, and vice-versa.

To see the effect of one variable dependent and independent variables were calculated using Censored Regression Model. The independent variable used is inflation, real GDP and Non Performing Loan (NPL). The estimation results is variable inflation is significant and positive effect on the level of investment lending rates rigidity. Real GDP variable is not significant and positive effect on the level of investment lending rates rigidity. And variable NPL significant negative effect on the level of investment lending rates rigidity.

Keywords: Investment lending rates rigidity, interest rate rigidity, Interest Rate Pass-Through, impulse response function, censored regression, BI rate, investment lending rates, inflation, real GDP and NPL.