THE DETERMINATION OF BANK INTEREST RATE MARGINS - IS THERE A ROLE FOR MACROPRUDENTIAL POLICY?

E Philip Davis, Dilruba Karim and Dennison Noel
Brunel University and NIESR
London

it

$$NIM_{it} = \alpha_{it} + ß_1 NIM_{it-1} + ß_2 CBR_{jt} + ß_3 DCBR_{jt} + ß$$

Abbreviation	Mean	Median	Max	Min	Std. Dev.	Obs
NIM (%)	2.570	2.030	26.458	-1.990	2.620	50516
LNSIZE (log)	21.804	21.818	27.117	16.054	2.252	55143
LRISK	0.636	0.702	0.992	0.001	0.290	49857
				[redacted]	[redacted]	[redacted]
INFL (%)	3.056	2.098	376.746	-0.923	13.344	108577

varia [redacted]

Dependent variable	NIM

Coefficient on	MPP	DMPP	DMPP(-1)	MPP*CBR	DMPP*DCBR	DMPP(-1)*DCBR(-1)

Notes: MAPP-INDEX is the sum-total of the 17 instruments; LOAN-